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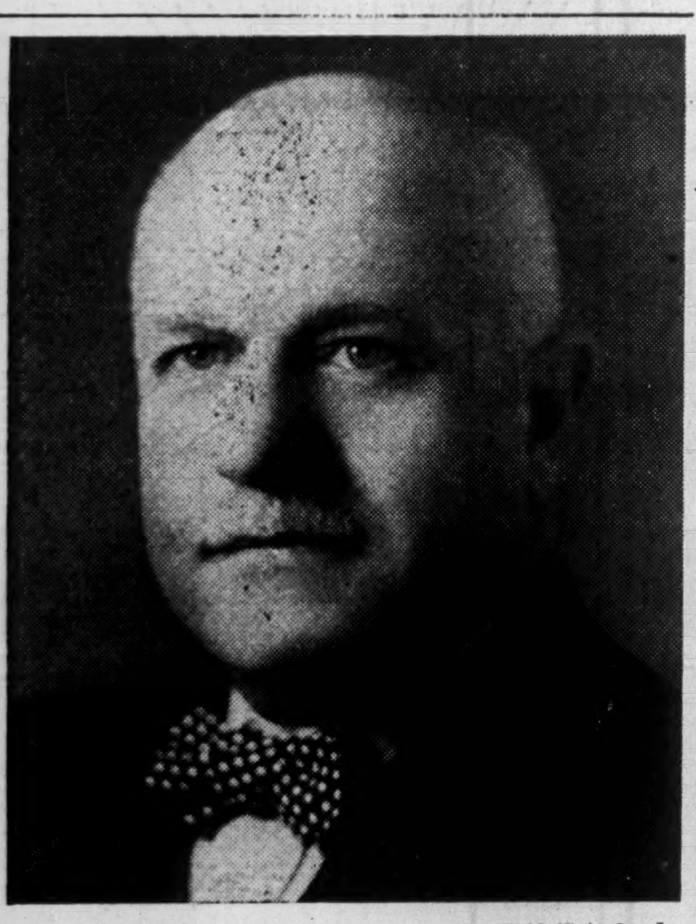
He Heads Architects



Charles David, Montreal, has been chosen for 1946-47 to head the 39-year-old Royal Architectural Institute of Canada. Mr. David's elevation comes as 900 Canadian architects from Sydney to Victoria settle to the task of shaping postwar communities, housing, factories, hospitals and schools. The new RAIC president began practice in Montreal in 1919 on return from overseas service as a lieutenant of Engineers. Among important works from his boards have come churches, public, industrial and office buildings, apartment houses and residences. Mr. David is a director of Wartime Housing Ltd.

THE NATION'S BUSINESS

Our Tax System "World's Worst"

Drastic overhaul of our tax system was one promise clearly implied in the Dominion proposals for a new deal with the provinces. At a recent meeting of the Dominion-provincial conference Prime Minister King is reliably reported to have made a definite commitment on this matter. He reputedly said that, as soon as a satisfactory deal with the provinces was achieved, the Dominion would further reduce personal income tax and would take immediate steps to reduce the element of double taxation in the corporation levy.

Speaking to the Canadian Club, Toronto, this week, Blair Fraser, Ottawa Editor, Maclean's Magazine, described the Canadian tax system as "the worst in the world" because of the way in which it discourages enterprise, restricts production. Under it, the enterprise system cannot survive.

Graham F. Towers, Governor of the Bank of Canada, incisively sums up the dire tax crisis now upon us. Referring in his annual meeting address to the fact that Canada can hardly escape serious external threats to her trade or to the level of her employment, Mr. Towers said:

"This accents the need for the fullest possible encouragement to Canadian enterprise and focuses attention on the outcome of the current Dominion-provincial discussions which will determine the character of our tax system during the transition period. If mutually satisfactory agreements can be reached which will adapt present taxation arrangements to postwar conditions, it will be possible for tax rates to be set in such a way as to encourage business expansion and promote high and stable employment . . .

"Failure to reach satisfactory Dominion-provincial agreements will mean a return to the pre-war multiplicity of taxes. Whether governments intend it or not, the character of our tax system will have a powerful effect on business enterprise and economic conditions, and reversion to the pre-war tax situation will certainly hamper economic expansion. In view of the very difficult international situation which we must face, such a development would appear to involve risks which this country can ill afford to take."

Mr. Fraser, at the Canadian Club, made it very plain that in his view the only hope of achieving a reasonably sound tax system was in putting the management of income and tax in the hands of the Dominion Government as recommended in its proposal to the provinces. Mr. Towers would seem to be saying just about the same thing. Premier Drew of Ontario does not concede the point, but it is pretty clear that he is prepared to concede any point where the national interest is well-established.

Certain it is that the men now holding premiers' offices, hence currently acting for the Canadian people at the Dominion-provincial conference, have a vast and urgent responsibility. The welfare of a whole generation at least depends on their willingness to bury personal and regional feuds; to help frame for Canada a system which will let her work toward her great destiny.

* * *

What's Behind Food Crisis?

There is something highly disturbing over the suddenness with which the world has been confronted with a food crisis. It is difficult to understand why there was not more warning. With UNRRA and other observers supposedly on the job in Europe and Asia, and with regular reports coming from most of the rest of the world, surely the situation should have been foreseen and corrective steps taken months ago.

Poor crops in the southern hemisphere had been reported as well as the steady disappearance of grain stocks in North America. That large areas of Europe and Asia were running seriously short of food was well known. And certainly what is probably the dominant factor in the whole situation—the sealed frontier which now splits Europe in two—has been no secret since Potsdam. So long as the Russians continue to ban the free movement of supplies from the natural surplus food areas of the eastern half into the overpopulated and industrialized western sections, no permanent solution for Europe's food problem seems in sight.

But all those vital facts were known months ago. Why then, the crisis now, half a year after the normal wheat seeding period in the greater part of the Northern Hemisphere?

Had the situation been brought to a head early last fall, acreage of winter wheat, the predominant type in Europe and most of the U. S., could have been boosted and large quantities of grain, since fed to livestock, could have been held for human consumption.. It takes from four to five pounds of grain to produce a pound of pork, beef or mutton and when a man faces starvation, four or five pounds of any grain will keep him alive longer than one pound of meat.

However, this is water under the bridge. Fortunately for Europe's starving millions, western Canada and the north central U. S., grow spring wheat. In the U. S. the emphasis has been on greater acreage for two years; in Canada acreage has expanded, despite contrary advice from Ottawa. Undoubtedly that acreage can be expanded again this spring without fear of glutted markets next fall. Optimists, however, are warned against expecting too much. A big acreage is no guarantee of a big crop. The greatest wheat crop Canada ever harvested (1942) came from one of the smallest acreages in 10 years.

Favorable weather is vital and the long term indications so far, are none too favorable.

In the meantime if we want to act like civilized beings it is up to Canadians, Americans and the people of every surplus food country to conserve every possible pound for shipment to the destitute. We must not permit our own realistic generosity to diminish simply because Russia will not permit one half of Europe to come to the aid of the other half.

Dom. Textile Output Now Recovering

Production Up This Month After Postwar Letdown — Good Earnings Indicated

MONTREAL (Staff)—Operating ratio of Dominion Textile Co. mills is now appreciably above the low during the temporary slump immediately after the end of the war. Output for the fiscal year ending Mar. 31, 1946, will probably be about the same as in the preceding 12 months.

Present operations of all plant facilities average 81% to 82% of 80-hour-machine-use (the standard theoretically denoting full-out operations). This is considerably below the peak, early in the war, of 115%, but appreciably above the average level in the latter half of 1945.

Earnings may be lower than the $9.82 a share on common reported for the 1945 fiscal year. Last fiscal year's earnings (a jump from $5.57 in 1944 year) reflected upward adjustment in standard profits for tax purposes based on increase in capital employed. Also, there was a special increment to earnings of $680,549 (equal to $2.52 a share on common) due to inventory adjustment. A similar, though smaller, addition is likely this year.

Actual earnings results on a year's operations cannot vary much under present subsidy agreement with the Commodity Prices Stabilization Corp., which limits profits to 116 2/3% of standard profits.

The company has drawn up an improvement and expansion program, including erection of a new modern plant, but construction work is unlikely while materials are scarce and building costs are at present high level.

Would Only Cut Alcohol If U.S. Policy Maintained

Ottawa (Staff)—Very little material benefit to Britain would accrue by cutting back brewing and distilling cereal supplies at this time, it is felt here. But it is recognized that Canada will have no alternative but to move in this direction if the United States carries forward the present declaration to discontinue use of wheat in direct production of alcohol and beer and to cut back use of grains in the production of beverage alcohol.

Right now Ottawa is frankly sceptical whether the Truman "instruction" on use of grain by brewers and distillers will "stick" any more than the equally hasty program for darkening bread. If it does, Ottawa may have to move along parallel lines for "political reasons." It will probably move first on distillers and later, and more reluctantly, on brewers.

Application of the Truman formula would be a terrific wallop to Canadian brewers. This U. S. formula (if it becomes effective) would limit use of grains for production of beer to "an aggregate quantity equal to that used for this purpose in 1940." In the case of both Canada and the United States this is estimated to represent a cutback of 30% or more on basis fo 1945 output.

Such a formula, for Canada, would give rise to a great number of difficulties at the provincial level—rationing, tax and administrative difficulties. It is a headache which Ottawa will avoid as long as possible.

Canadian brewers and distillers confirm the Ottawa view that drastic curbs would now be of little benefit.

Opinion in the industries is that any restrictions adopted will not be as severe as in the United States where, it is estimated, liquor and beer output will be reduced 30%. Canadian officials say no sizable grain saving can result from production curbs here since:

1. Practically all the wheat used in production of beverage alcohol . . . approximately seven million bushels in the peak war years, now considerably less . . . is of No. 3 Northern variety, up to now not considered of exportable quality.

2. The amounts of other grains being used in liquor production have been small—altogether they only amounted to about 10%, in 1943, of the amount of wheat used. With peacetime return to large-scale production of beverage alcohol, demand for corn, however, has become heavy.

3. Only 7%-10% of Canadian barley is going into malt and even 10%

(Continued on page 2, col. 4)

Revive Bonded Truck Cargoes U. S. Requests

OTTAWA (Staff)—Simplification of customs regulations at border points was discussed at Washington last week. The most difficult point at issue was that of permits to U. S. carriers to send trucks in bond across Canadian territory.

Last year key U. S. officials waited on Ottawa with a vew to restoration of the valuable truck-in-bond privilege which was granted by Ottawa as a war measure, lapsed Dec. 31.

Certainly, if the concession is again granted, it will be on condition that U. S. carriers agree to certain regulations and "economic" sanctions, to compensate for the privilege of saving time and money by using Canadian provincial roads.

1,287 Houses Built In WTH Program

OTTAWA (Staff) — Housing highlights made public this week by Hon. C. D. Howe reveal that Wartime Housing Ltd. has completed 1,287 of its new postwar veterans' housing program. Another 6,711 units are under construction.

The 1946 housing program for all types of dwelling was placed by Mr. Howe as 10,000 to 15,000 in excess of the number of units built in 1945. Mr. Howe admitted that exact knowledge of what was done in 1945 was still not available. He thought the 1945 total for units built and completed was probably about 35,000.

Mr. Howe stated that in addition to its present postwar program, Wartime Housing had built 17,218 wartime dwelling units of which 2,256 were now occupied by veterans.

U. K. Men Here Tell 'Cost of Prosperity'

Need $5 Billions – $1.5 Billions From Canada – To Bridge the Trade Gap of the Next Three Years and Free Trade Channels

By KENNETH R. WILSON

OTTAWA (Staff)—Britain stated her case for a loan from Canada this week.

Boiled down, the case stated is that Britain will go $5 billions in the hole on her international trade during the next three years. Presumably, although this was not publicly stated by the British spokesman, Britain will want something like $1.5 billions from Canada to supplement the $3.75 billions loan from the United States, thus giving the United Kingdom enough working capital to tide over the deficits of the transition period, preserve her position as Canada's best customer.

In effect, Britain has hung a $1.5 billions price tag on prosperity.

The preliminaries took place in an unpretentious conference room in the East Block—without publicity. Representing Britain were Sir Wilfrid Eady, top-flight British Treasury official; C. F. Cobbold, deputy governor of the Bank of England; R. H. Brand, Treasury representative at Washington; Gordon Munro, financial adviser to the British High Commissioner at Ottawa, and the Rt. Hon. Malcolm Macdonald. For Canada, Rt. Hon. J. L. Ilsley was flanked by Dr. W. C. Clark, Graham Towers, Dr. W. A. Mackintosh and R. B. Bryce.

Shortly after tabling the British case, Eady met Canadian newsmen—a marked change from what happened in Washington where the British only stated their case publicly after negotiations had been completed. Another important change is that Eady, not Keynes, was the official British spokesman. Despite his brilliance, Keynes is inclined to overstate his case and has a sharp tongue. Eady is a patient, persuasive and highly skilled civil servant of long experience.

Face $5 Billions Deficit

The case put by Sir Wilfrid was that of a nation which expected to fall short of balancing her international accounts by $5 billions in the next three years. This quite apart from any new obligations Britain may assume by freeing the blocked balances of other countries in the sterling area.

Of this total, $3 billions is the expected deficit for 1946. The remaining $2 billions is the anticipated "gap" for 1947 and 1948.

In 1946 British figures call for $3.3 billions (U.S. dollars) of overseas expenditure on food, raw materials, tobacco, etc. As well, Britain expects to spend $1.2 billions to "keep the peace" around the world. This covers the cost of 250,000 occupation troops in Germany—plus troops in the Middle East, Java, Greece, Palestine and contributions to UNRRA.

Against this $5.5 billions outlay for 1946 Britain expects income of only $2.5 billions. Of this, $2.2 billions would come from exports and $250 millions from insurance, shipping, etc. It's estimated that even to earn $2.2 billions in export trade Britain will have to raise her exports to 55% of pre-war levels on a volume basis. During the war exports shrank to 30% of pre-war. It is claimed they must rise 50% in volume above pre-war before British accounts will once more balance.

Scale Down War Debts

Sir Wilfrid warns that this new postwar "debtor" Britain will start with $19 billions of external indebtedness chalked up against her, assuming the U. S. Congress approves the pending $4.4 billions loan. This is exclusive of whatever is borrowed from Canada, and does not take into account Britain's $12 to $15 billions of investments which are mainly in sterling areas.

Highest figure which has been mentioned as a possible reparation payment from Germany is $20 billions—and this has already been cut in half. Germany is now actually being subsidized by the United Nations to enable her to keep going.

(Most of the $19 billions of expected U. K. postwar debt is in the form of sterling balances, many of which are expected to be consid-

(Continued on page 2, col. 5)

Ford Shuts Down at Windsor For Lack of American Steel

Ford of Canada's announcement of Windsor shutdown this weekend because of the U. S. steel strike, and Mr. Howe's recent warning that Chrysler too might close, turned fears of large-scale labor layoff into actuality in the fourth week of the strike. The General Motors Oshawa plant already is closed.

Further substantial layoffs will be inevitable if the strike is not settled soon, a Financial Post survey of steel distributing and consuming channels reveals.

The household appliance industry needs vitreous enamelling sheet.

Added to building industry worries over lack of heavy structural shapes is virtual suspension of buttweld pipe production here because of stoppage of U. S. Bessemer flat-rolled steel.

The structural steel industry so far has been scraping by on inventory and resourcefulness but fears extension of the strike may result in deferment until 1947 of many larger buildings designed in steel.

Farm tool industry's steel inventory has shrunk greatly.

A full one third of Canada's over-all steel requirements normally is imported from United States. And experts say well over a month will be required after settlement of the strike, to get distribution back to anything like normal.

Expect Ottawa to Adopt U. S.-U. K. Air Policies

Canada's Acceptance of "Fifth Freedom" Seen More Probable Following British Reversal of Its Chicago Air Conference Stand

OTTAWA (Staff) — Canada now faces a major decision in the field of international airway policy.

The decison is whether or not this country shall grant "fifth freedom" air rights to other nations. Fifth freedom rights means that U. S. planes, for example, would be free to start their transatlantic flights from an American port and stop to pick up or discharge passengers on Canadian soil. So far, Canada has refused to agree either to bilateral or multilateral granting of the fifth freedom.

But out of the blue this week in Bermuda, Britain and the United States composed their differences and reached accord not only on the fifth freedom but on most if not all outstanding and controversial matters such as rates, frequencies, etc. This ability to reach an agreement after the original breakdown at Chicago and the more recent controversy over Pan-American Airways rate-cutting, is considered remarkable. As well, it forces Canada to decide whether to give the "fifth freedom."

Obviously, from the U. S. viewpoint the fifth freedom would be a major concession from Canada. It would make it easy and profitable for U. S. lines to pick up or unload traffic in this country on the transatlantic run. On the other hand, Canada may need the so-called fifth freedom if she starts a South American run.

The Bermuda U. S.-U. K. agreement suggests that two things have happened to enable these countries to reach an accord:

1. United States has conceded to Britain its point about intergovernmental control and action to prevent rate wars.

2. Britain has conceded the "fifth freedom" and also has abandoned her earlier insistence on a rigid formula for control of frequencies, plane capacity, etc.

This latter concession is also of very considerable concern to Canada.

When Britain and Canada met to reach an airways agreement in Bermuda some weeks ago, the U. K. was unwilling to grant such concessions. Thus the U. K.-Canada agreement provides for a definite schedule of frequencies for the two countries.

Now, presumably, if Canada were to demand it, this country would be able to obtain from Britain as "favorable" terms as has the United States.

Div. To Include Nylon "Rights"

MONTREAL (Staff) — In announcing to the Montreal Curb Market declaration of an initial dividend of 17½ cents a share on the common stock, payable April 11 to stock of record March 13, Belgium Glove & Hosiery Co. of Canada, Ltd., added:

"Common shareholders will be entitled to purchase from the company on the basis of their common holdings, a maximum of three pairs of first quality nylon hosiery and, for such purpose, to apply their cash dividend to extent necessary. Cards giving full details will be sent to shareholders of record March 15, for completion and return by March 30."

See Crude Rubber Use to Be Upped

An unlimited supply of natural rubber may not be available for another two years, but an increase in the percentage of crude rubber used may be expected this year, reports from the United States indicate. There the industry may be able to use 25% of natural rubber to 75% of general-purpose synthetic in place of the present 10%-90% proportion if natural rubber receipts continue at present estimates during the next six months. If this becomes possible in the U. S. it seems likely it will be also in Canada, The Financial Post understands.

Difficulties in restoring production in the Far East are said slowing up the supply. Crude rubber production is not expected to exceed 700,000 tons a year (about 70% of pre-war world average) over the next two years.

Canada Sells Over 60 Ships Since War End

OTTAWA (Staff)—The Canadian Government is "getting out of the shipping business as fast as it can," Hon. C. D. Howe, Minister of Reconstruction, states. Chief aim is to dispose of government-owned vessels to Canadian operators.

Here is the present "score" of postwar disposal:

Cargo Vessels Sold	To Candn. Operators	To U. K. or Foreign Buyers
10,000-ton Canadian (N. Sands Type)	22	..
10,000-ton Victory .	8	..
4,700-ton vessels .	3	13
3,600-ton tankers .	5	..
10,000-ton tankers .	..	12
	—	—
	38	25
Cargo Vessels Chartered		
10,000-ton vessels .	35	92
	—	—
Totals	73	117

Out of the 13 vessels (4,700-ton) sold abroad, 10 have gone to France, two to Brazil and one to Norway.

New orders placed with Canadian shipping firms since the end of the war total about $40 millions. These include an important French order, plus private contracts for Brazil and Holland. French business is stated to include eight 7,200-ton vessels; 80 steel barges (150-ton) for Indo-China and 15 trawlers. The Brazil order is for six cargo vessels (7,200-ton); Dutch, two 3,000-ton vessels.

Inside News

Oats for Human Food are foreseen as a possibility in Europe, where demand for the Canadian product continues high. The Canadian Wheat Board, however, has recently sanctioned export of 1.5 million bushels to the United States, subject to payment of prevailing equalization fees. (p.8)

Meat May Be Scarce as a result of urgent demands for Canadian grain in England and Europe. The demand will probably mean that less grain will be available for feeding livestock, until the emergency passes. (p.8)

MacNab Sells CPR on advice of his investment manager. The stock is now at its highest level since [illegible]1, but, MacNab's adviser says, wartime traffic peaks are ended, and increases in wages and in cost of supplies are adding to operating costs. Managed Investment. (p.27)

Nylons Are Coming—yes, they will actually be on sale in Canada next week, but probably in short supply, dealers warn. Prices and Trade board has set retail price ceilings ranging from 86c. to $2.50 a pair, according to quality (p 28).

More Typewriters will be available for civilians soon. Hundreds of machines, now lying idle in Army and Air Force establishments, are to be "demobilized" and turned over to War Assets Corp. for resale, within a few weeks. Meanwhile, deliveries of new machines lag six weeks to three months behind orders; but the backlog is being slowly whittled down (p 18).

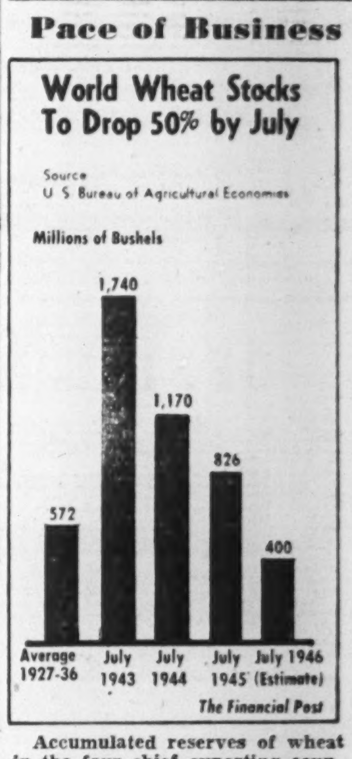
Senators Should Quit at 75, if not sooner, according to the majority opinion of Canadians interviewed by The Post. There is more division of opinion on the question of whether retiring senators should receive a pension (p 7).

Abject Surrender is the description given by British Imperialists, to the Attlee Government's acceptance of the Bretton Woods agreement. Grim days are ahead for the United Kingdom and for Europe, as the threat of starvation forces further food restrictions. London calling, by Adelphi (p 13).

No More Unpreparedness is the slogan of the day at Ottawa. Canadian industry is rapidly being converted to a peacetime basis, but plans are afoot, whereby it can be rapidly diverted to armament once more, if this country is once again called upon to fill the role of "the Arsenal of Democracy" (p 3).

Free Ports for Canada are again being studied by the Dominion Government, but indications are that authorities are not sold on the proposition. Basic principle of free ports is that goods can be imported to such zones duty free, for reshipment to other countries. Common in Europe for many years, the free port plant was inaugurated in North America by New York nine years ago. A committee of experts may report to the Government on the subject soon (p 26).

Pace of Business



Accumulated reserves of wheat in the four chief exporting countries will reach a new low by July 1, 1946, provided that rail and water transportation facilities are available to keep shipments moving to Great Britain and Europe, whose heavy demands have focused attention on the supply position of Canada and the United States. Canada has exported 176.5 million bushels of wheat and wheat flour during the first five months of the current crop year—50% more than for the corresponding period last year. Wheat on hand for export at Jan. 1 is estimated to be 237.8 million bushels, or 51% less than at the same date a year ago.

World wheat carryover of 826 million bushels last July is expected to be cut in half by next July. Average carryover from 1927 to 1936 was 572 million bushels.

U. S. Loan to Britain Runs Into Snags Here Is Why Some Britons Are Opposed

Many express surprise that the proposed U. S. loan to the United Kingdom, now before the U. S. Congress for approval, created perhaps as much opposition in the United Kingdom as it is now encountering in the United States. Here are some of the more important reasons underlying the objections raised in certain U. K. quarters.

1. Would break up Empire unity.

Certain sources in the United Kingdom, represented particularly by Col. Amery and Christopher Hollis M.P., author and economist, see in the acceptance of the loan and Bretton Woods the breaking up of Empire unity. They feel that the political and economic advantages of existing unity far outweigh any concessions that the United States are prepared to offer. This aspect of the loan question is covered more fully by Adelphi on page 13.

2. The amount is too small.

The loan, in the form of a "line of credit," amounts to $3.75 billions and must be utilized before Dec. 31, 1951. United Kingdom Treasury officials don't expect any difficulty in using the loan by that time: their main problem will be to extend the funds over as broad an area as possible before they are exhausted.

Some observers point out that the United Kingdom may be expected to have an annual deficit between international income and outgo of $1.4 billions, at least until such time as their exports increase 57% in volume above the 1938 level when they will achieve a balanced position. At this rate the loan will only last 2½ years at which time the United Kingdom will be placed fully on its own resources.

3. Bretton Woods will be too costly.

Part of the loan will have to be drawn on by the United Kingdom, it is argued, to finance the initial U. K. contribution to the International Bank and the International Monetary Fund of Bretton Woods. This contribution will approximate $1.3 billions (the full quota for the United Kingdom in Bretton Woods is $2.6 billions) and will leave that much less of the loan available for maintaining a balance in United Kingdom's international payment position.

3. The terms of the commercial agreements are too severe.

The subsidiary commercial conditions of both the proposed loan and Bretton Woods will oblige the United Kingdom to give up bilateral trade agreements for multilateral trade agreements and will require the free convertibility of sterling at a time when the United Kingdom is least able to sustain such a burden. These people point out that the war has left the United Kingdom's foreign investment at a level of $12 billions a reduction of $4 billions from pre-war levels, while Britain's external liabilities, in the form of a sterling debt, amount to $14 billions. Not only will Britain be operating with a substantially curtailed income from foreign investments, but its burden of increasing exports to 175% of pre-war volume is intensified by the increased industrial capacity of the United States which will certainly be seeking export markets, it is argued.

4. Accumulated sterling balances.

Under the terms of the proposed loan the United Kingdom undertakes to liquidate up to $15 billions of accumulated sterling balances, or to release them and make them freely convertible into any currency for current transactions. And the United Kingdom must commence to do this within one year of the effective date of the loan agreement. Even if Britain could retain its war powers of exchange control, etc., its task would be difficult. Stripped of these powers to control her international position, the burdens imposed on the United Kingdom, it is

(Continued on page 2, col. 6)

Ottawa Taking Stock on Steel

OTTAWA (Staff)—Officials here have been trying (not very successfully) to determine the inventory position of Canadian firms in respect of steel.

It is admitted that shortages have already curtailed operations in some plants. Many more stoppages are expected in the next week or two whether the U. S. strike is settled or not.

Steel inventories in the industrial "pipe line" in Canada were at a very low ebb for most industries even before the strike started. Some relief is being afforded by special measures taken to balance out Canadian productive capacity and to curb exports.

Inventors Here More Practical Bing Crosby Firm Discovers

Canadian inventors are more practical than American inventors. That's the conclusion reached by Commonwealth Industrial Enterprises Ltd., Canadian subsidiary of Bing Crosby's Research Foundation. Some 3% of the ideas submitted to the Canadian company are rated "worth while"—about six times the percentage of successes received by the parent firm in Hollywood.

Of some 650 ideas screened through the offices of J. H. Fitzgerald, Commonwealth president and general manager, since opening in Toronto last October, nearly two dozen look promising. A new type elevator shaft and a process for "stitching" steel are major items on the development list to date. The remainder are household articles and games—clothes pins, bread knives, wax spreaders, flashlights, toy guns, tobacco accessories—which may retail from 50 cents to $5 if and when they go on the market.

The percentage of practicability in the U.S. is much lower, according to Darcy Jones, Crosby engineer. Since 1940, when Bing Crosby went into the gadget business in a big way, his company has screened out less than one half of 1% of 50,000 ideas submitted and marked them for possible development.

"We haven't struck a really hot idea in Canada yet," Mr. Fitzgerald admitted. "But there have been some sound ideas put forward, and we could scarcely hope to scout out more than two or three big ones in a year's sifting."

Commonwealth reports a very small proportion of crackpots among its contributors.

Method of Commonwealth is to contract with the inventor of any idea considered marketable for the lifetime of his patent. Redesigning, necessary in the majority of cases, is done by a Montreal industrial engineering firm and working models are prepared. These samples are used by another firm, with which Commonwealth has entered into distributing arrangements, for testing marketability and estimating probable consumption.

Before any invention reaches production stage it is submitted to Crosby Research Foundation for a further investigation.

Trusting inventors, often without sufficient funds or knowledge of the proper procedure, have come to Commonwealth with working models of their brain children totally unprotected by patent. In such instances they are advised to make a search proving the originality of their work, and if the company is interested it advances the cost of patent proceedings against the inventor's contract royalties.

Commonwealth, under its contract with Crosby, is free to obtain Canadian rights to U.S. patents other than those of the parent company. Its principal activity at present involves the adoption of 22 patents which Crosby has had difficulty in producing; but President Fitzgerald says he is in the market for good ideas anywhere.

ANNOUNCING

Important Appointments in Canadian Industry, Finance, Business and Government.

British American Oil Co.—A. E. Osborough, wholesale sales manager, British Columbia division; W. M. Martindale, retail sales manager, British Columbia; W. A. Walton, operations manager; D. S. Woodman, wholesale sales manager, Manitoba; L. L. McMahen, retail sales promotion manager, Manitoba; J. H. Patterson, operations manager, Manitoba.

Canada Life Assurance Co.—S. H. W. Fyfe, E. S. Linney, executive assistants; J. H. Wainwright, claims officer; R. C. Baird, internal auditor; G. A. Cooke, assistant actuary; J. D. Milne, assistant comptroller.

Canadian Lumbermen's Association—Raoul Guerette, president.

Canadian Industrial Traffic League—W. J. McCallum, president; S. W. Mayhew, vice-president.

Canadian Surety Co.—C. S. Band, chairman of board; J. R. Read, H. H. Lawson, directors.

Central Mortgage & Housing Corp.—Major-Gen. Hugh A. Young, vice-president.

Commercial Alcohols, Ltd.—H. C. Kerman, vice-president and general manager; T. T. Arnold, vice-president and secretary-treasurer.

Dufferin Farmers' Mutual Fire Insurance Co. — D. M. Gallaugher, vice-president.

Empire Life Insurance Co.—D. W. Morphy, superintendent of agencies.

Etna Insurance Co. — A. J. F. Roberts, special agent in Winnipeg.

Halifax Insurance Co. — C. J. Lawer, casualty manager.

Harold F. Stanfield, Ltd.—R. D. Gilpin Brown, staff member.

Holstein-Friesian Association of Canada—C. C. Haviland, president.

Jean Gagnon & Co.—Jean J. Bonhomme, a director, in charge of marine and inland transportation departments.

Milqo Ltd.—W. F. J. Grimmond, general manager; E. M. Griffith, secretary-treasurer.

North-West Line Elevators Association—Dr. Frank J. Greaney, director of farm service.

Ontario Association of Professional Engineers—G. Ross Lord, president; G. B. Langford, vice-president.

Ontario Government—Major-Gen. Howard Kennedy, royal commissioner to enquire into reforestation and forest control.

Ottawa Citizen—A. C. Cummings, editor.

Quebec Brewers Association — Jean-Paul Galipeault, president.

Robert Simpson Co.—J. C. K. Madsen, supply department manager.

Sterling Trusts Corp.—H. R. Frost, H. T. Burgess, directors.

Stromberg-Carlson Co. — John McNair, secretary (and comptroller); J. L. Gasser, assistant secretary; W. W. Hetzel, assistant treasurer.

Supertest Petroleum Corp.—R. K. Davidson, sales manager, fuel oil and burner department.

Toronto General Trusts—Edgar G. Burton, a director.

Universal Cooler Co. of Canada—Dan Robertson, president; Howard Gray, vice-president; Fleming W. Johnson, Wm. A. Alfs, directors.

Victory Mills, Ltd.—C. L. Rogers, vice-president.

Victoria Trust & Savings Co.—C. E. Weeks, Chairman of Board and treasurer; G. A. Weeks, general manager and secretary.

Willard Storage Battery Co. of Canada—J. A. Livingston, sales manager.

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Feb. 16, 1946

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United Steel Kaiser-Frazer In Negotiation

United Steel Corp. and Kaiser-Frazer interests are negotiating forward production of cars of the latter corporation in Canada, A. G. House, vice-president and treasurer of United Steel is reported to have stated.

Unconfirmed reports say negotiations contemplate a management contract for USC, with certain car parts to be manufactured by the company, and with Kaiser-Frazer to purchase a war plant in this country for operational use.

Anticipation of these negotiations is reported largely responsible for the recent remarkable rise in United Steel common stock (up $1.50 last Monday, in a bear market, on volume of over 22,000 shares) and for heavy volume in recent sessions. A good portion of recent buying is said to be from New York.

Net earnings of upwards of $1 a common share after all charges and income tax are estimated for 1946 by the management. A new tax base is expected. With operations expanded and co-ordinated, and marketing facilities also enlarged and intensified, United Steel's financial position is stronger than ever, and its outlook substantially better, the management stresses. The bank loan of $2,444,862 at end of 1944 is now completely retired, it is stated.

United has made a long-term contract with Baldwin Locomotive Works, Philadelphia, to manufacture its machinery and equipment in Canada—hydraulic presses, Diesel engines and turbines and other apparatus.

Four new steel warehouses have been acquired—at Toronto, London, Welland and Montreal, strategically located to serve big iron and steel markets in these areas. United Steel is expected to become one of the biggest distributors of steel in Canada. Reconversion problems will not interfere with production of present lines or development of new ones, the management is confident. Substantial business is now on hand, including contracts with Russia.

Would Only Restrict Alcohol Conditionally

(Continued from page 1)

of this malt is going into food products, and not beer.

For the last year in which comparable figures are available (1944), per capita consumer purchases of alcohol beverages in Canada was only 50% of that for the United States. Consumption in the United Kingdom was 64% of the U. S. figure.

In the United States, wheat may not be used for production of alcohol after March 1, and use of other grains will be limited to five days' consumption a month, a quantity equal to that used in 1940. The White House estimated that these cuts will save about 20 million bushels of grain for food by June 30.

OFFICE MANAGER

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$5 Billions in 3 Years Britain's Trade Deficit

(Continued from page 1)

erably scaled down. In fact one condition of the U. S. loan is that Britain start at once to scale down these wartime debts.)

On the right side of the ledger Sir Wilfrid pointed to evidence already accumulated of Britain's recuperative powers. He noted that liquid reserves in gold and dollars before the war were $2.5 billions. By the darkest hour (April, 1941) these had shrunk to a paltry $12 millions. But by Sept, 1945, these had been worked back to $1¾ billions.

Also emphasized as prime British policy was the desire "to get back as quickly as possible to freedom of imports and free convertibility of sterling." British policy, insisted Sir Wilfrid, was to reach "the largest possible volume of trade and the freest possible movement of trade and currency."

The real issues, he stated, were "When" and "how fast."

Were the U. S. Congress to turn down the present loan agreement it would mean immediate abandonment by Britain of Bretton Woods "and other international commitment." Lacking such assistance, Britain would go her way "unaided." This road, it was stated, would be long and hampered with "great restrictions." On the other hand, dollar assistance would mean "greater speed toward recovery, less restriction and untold encouragement."

Though no comment was made regarding present vocal objections being raised in Britain to acceptance of Bretton Woods and the U. S. loan, it seems clear that Sir Wilfrid and other British officials believe the present attempt at "free convertibility" of sterling into dollars is a goal worth striving for and worth the price which the Americans are exacting.

The British are pleading here their "over-all" case. In short, ways and means of making sterling and U. S. dollars freely convertible again at the earliest possible date. They are not seeking to put their Canadian dollar account in complete balance. The argue that, granted free convertibility, their Canadian dollar deficit can be looked after—once the 1946-48 gap in their international account is bridged.

The British plan considerably increased export to Canada in 1946, but expect a big Canadian dollar deficit. Just how big depends largely on available supplies of food from Canada. The British have contracted for considerably more food (bacon, for example) than Canada will be able to supply. Thus Canadian officials don't expect the "gap" will be as great as the British suggest.

For 1946 the "gap" in U. K.'s Canadian account is now put at between $500 and $700 billions. The total line of credit sought in Canada is between $1 and $1.5 billions. British need for Canadian loans is expected to decline sharply as Britain moves toward convertibility.

Ottawa Calls For 'More Margin'

Investors will have to pay a higher percentage in cash for their purchases, it is understood. Margin requirements are to be boosted "substantially" under agreements with the Canadian stock exchanges and the chartered banks, it is stated.

A boost to at least 50% cash payment on stocks has been under discussion. Object of the move is to cut down on bank loan expansion, avert possible stock panics.

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Why Britons Oppose Loan

(Continued from page 1)

reasoned in some quarters, become even more intensified.

5. Sterling area exchange arrangements.

The United Kingdom is also obliged within one year to complete arrangements whereby sterling receipts from sterling areas will be freely available for current transactions in any currency area without discrimination. This means the end of blocked sterling, a technique which was adopted during the war to protect the exchange value of the pound sterling.

6. Other exchange arrangements.

The United Kingdom has agreed, in accepting the terms of the U. S. loan, that after one year it will impose no restrictions on payments and transfers for current transactions in respect of third countries. This means, for example, that whatever sterling balances Canada may accumulate out of its exports to sterling areas will be available, if necesary, for conversion into United States dollars to settle debit balances with that country. It will place a strain on the external value of sterling which could only be sustained if United Kingdom exports reach the high postwar level which has been set.

Summary

Many people consider these financial obligations so heavy that they should not have been assumed, at least so rapidly. As an alternative to the loan and Bretton Woods and the restrictive conditions which they imposed on the British economy, this school of thought maintains that Empire and sterling area ties should have been strengthened by resorting to more intensive weapons of economic nationalism, such as exchange controls, export subsidies, depreciation, quotas, etc., even though the development of this system would eventually split the world into two giant trade areas, the dollar area and the sterling area.

Supporters of the loan realize that the full price which Britain will have to pay is rather heavy, but expect that the United Kingdom will be able to live up to the conditions imposed and shortly achieve a balanced international position in a world with a largely expanded volume of international trade.

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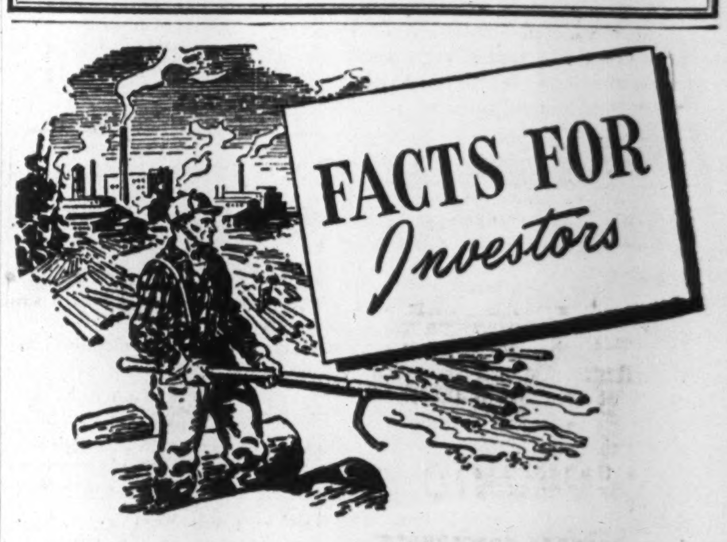

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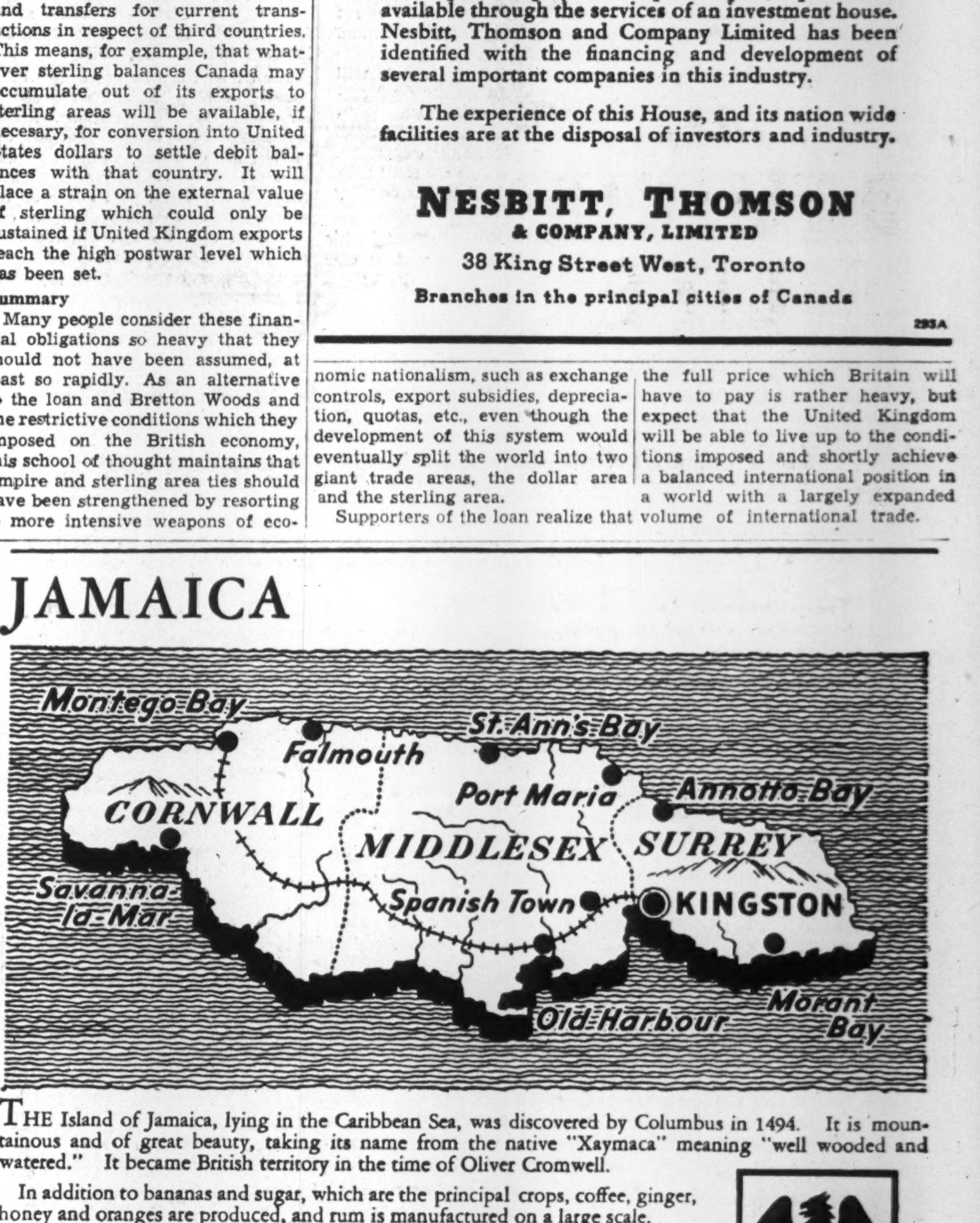

THE Island of Jamaica, lying in the Caribbean Sea, was discovered by Columbus in 1494. It is mountainous and of great beauty, taking its name from the native "Xaymaca" meaning "well wooded and watered." It became British territory in the time of Oliver Cromwell.

In addition to bananas and sugar, which are the principal crops, coffee, ginger, honey and oranges are produced, and rum is manufactured on a large scale.

The average value of Jamaica's external trade for the years 1935/9 was over $44,500,000 per annum. The population is approximately 1¼ millions.

The first branch in Jamaica of Barclays Bank (Dominion, Colonial and Overseas)—a member of the Barclays Group of Banks—was opened at Kingston, the Capital of the Island, in 1837, since when offices have been established at—Montego Bay, Falmouth, St. Ann's Bay, Port Maria, Morant Bay, Savanna-la-Mar and Annotto Bay. Those concerned with trade in the West Indies, Africa or the Mediterranean, are invited to communicate with:—

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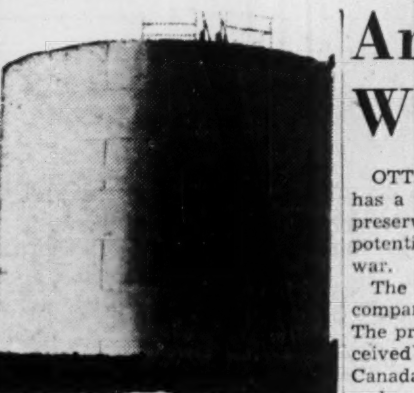

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Arsenals Project Assures Canada Won't Again Be Caught Unarmed

OTTAWA (Staff)—Canada now has a program and a blueprint for preserving her wartime industrial potential against the threat of future war.

The blueprint centres on a Crown company—Canadian Arsenals Ltd. The program is largely the one conceived and brought into being by Canada's Number One arms expert and engineer-administrator, Col. Malcolm P. Jolley.

Ever since the unpreparedness of 1939, a number of interested minds have been working on the problem of how Canada might maintain her war potential; how best she could contribute toward prevention of war by maintaining her industrial potential.

The answer came in Canadian Arsenals, Ltd.—joint product of combined planning by the three services, the Department of Munitions and Supply and wartime industrial experts. For the time being, this company is under direction of Department of Reconstruction. It is run by Col. Jolley as president and a board of directors—Brig. A. Therriault, vice-president; R. M. P. Hamilton, J. G. Notman, N. P. Petersen, E. T. Sterne and R. Flavelle, secretary-treasurer.

Eventually the work of this company and probably the company itself will probably revert to Department of National Defense. Meanwhile, an opportunity has been made to put on a business basis, four essentials of postwar industrial preparedness for national defense:

Prepare for Peace

(a) Selection of tools and equipment from Great War II, to meet future requirements of Department of National Defense.

(b) Setting up and maintenance of permanent postwar arsenals.

(c) Disposition of scrap tools and equipment.

(d) Plans for expansion of industrial potential if Canada should again be called on to become an "Arsenal of Democracy" in another war.

Function of Canadian Arsenals, as presently constituted, extends to guns, small arms, ammunitions, shell filling, explosives, instruments, signals, etc. Left to the other branches of the services are the entire fields of aircraft and shipping.

At present there are about 1,000 persons on the Canadian Arsenals payroll. Main job, for the moment, is reconversion—refitting and clearing out existing government arsenal plants so that the bulk of these may be made available for private industry and the remainder readied for continuing "arsenal" operation either on a storage or a light manufacturing basis.

Retain Six Properties

Most of the clearance job has been completed. Some six properties are being retained in whole or part:

Guns: in part of the Longueuil gun plant formerly operated for the government by Dominion Engineering.

Small Arms: work being carried on in a section (about one third) of the Small Arms Ltd. plant at Long Branch.

Gun Ammunition: the "potential" is being kept at Lindsay Arsenal, Lindsay, Ont. Machinery is being stored and here, as elsewhere, a basis for industrial mobilization retained in case of need.

Small Arms Ammunition: centred at Dominion Arsenal, Quebec City.

Shell Filling: storage and potential facilities at the Cherrier shell-filling plant of D.I.L. at St. Paul l'Ermite, P.Q.

Explosives: retention of the De Salaberry plant as storage for equipment and "stand-by."

Instruments: repair and development work at section of Research Enterprises, Ltd., at Leaside.

Can Be Reconverted

Function and purpose of Canadians Arsenals, Ltd., is described by Hon. C. D. Howe, Reconstruction Minister, as follows:

"Defense manufacture in Canada may be roughly divided into two categories. In the first category are civilian plants producing automobiles, refrigerators, ships, aircraft, railway equipment, clothing, and a host of other civilian items. Such plants can be rapidly converted to manufacture of war supplies, and by constant liaison, Canadian Arsenals will make possible a much more rapid conversion than was possible in the early days of World War II. Activities of the Crown company will in no way interfere with the production of civilian articles in peace time.

"In the second category are the plants built only to produce defense items of no value to the civilian. In this category are the explosives, shell filling, guns, small arms, and suchlike factories. It is the intention of Canadian Arsenals Limited to maintain plants in this second category.

"The Crown company will keep in touch with manufacturing companies with a view to co-ordinating production capacity or potential with supplies which might need to be produced. Blueprints and specifications with manufacturing information will be kept readily available to the manufacturing companies. In addition, the Crown company will retain in a stand-by condition, a supply of machine tools and dies ready to be shipped to the designated plants. Thus within a short period a civilian plant would be in a position to begin setting up equipment, and production could start within a matter of weeks instead of months or years."

Canadian Arsenals Ltd. will have its head office in Ottawa.

DAN ROBERTSON

has been elected president of Universal Cooler Co. of Canada, with which he has been associated for 16 years.

Talk $7 Million Shipbuilding Plan

VANCOUVER — Seven million dollars' worth of shipbuilding work is understood to be involved in negotiations now under way between B. C. shipyards and Canadian Pacific and Canadian National steamship lines.

The following contracts are believed involved:

1. Construction of two new coastal passenger ships for the CNR at a cost of $2½ millions apiece, which the company previously announced it is now having designed by a Vancouver architect.
2. Reconversion of the CPR's SS Princess Kathleen, which will be returned to the company soon for B. C. coastal use.
3. Redecking and overhaul of SS Princess Joan and SS Princess Elizabeth for the CPR.
4. Construction of new tugs for CPR coastal and inland lake use in B. C., which the rail company owns, and the second vessel in a Vancouver yard.

Say Multi-pane Window May Be Made in Canada

Architects See Rapid Growth in Use of Newest Glass Product for Low-cost Building — Cheaper Unit Available for Small House

The ready-made "wide window that insulates against winter heat loss and summer heat entry"—the multi-pane glass product which architects and builders have long been studying—soon may be more widely available to Canadians building low-cost houses, stores, service stations.

This relatively new aid to heating, cooling and air conditioning—two or more panes of glass, separated by dehydrated dead air space, sealed along perimeter with a metal bond eliminating frame, sash, hardware—began and is now almost universally used in commercial refrigeration display cases.

Glass units of this kind so far used in Canada have been imported from United States; mostly "Thermopane," made by Libbey-Owens-Ford and distributed in Canada by Hobbs Glass Ltd. Duplate (Canada) Ltd., Oshawa, Ont., suspended production of the similar "Aircon" unit two years ago—it was distributed by Pilkington Brothers (Canada) Ltd. Pittsburgh Plate Glass Co's "Twindow" has not yet been offered in Canada, The Financial Post is told.

Freed From Priority

Libbey-Owens-Ford and Hobbs Glass, following release of Thermopane and similar products from government priority, recently announced availability of the unit in ordinary light window glass as well as in the heavier and more expensive 32-oz., ¼-in. polished plate, patterned, colored and special type glass.

Hobbs tells The Financial Post it can now promise four-month quantity delivery of double or triple window glass units up to 43¾ in. high by 32 in. wide, and plate glass units up to 86 by 112 in. or 72 by 132 in.

Present wider availability of these ready-made double or triple windows may bring them into critical competition with window frames and sash, window hardware, screens, storm sash, glazing and even paint, many architects believe. They suggest the new window glass units—already tested in commercial and industrial buildings; for example, Tip Top Tailors' Toronto plant— will bid strongly for wide use in low-cost house and other buildings.

Supply Still Inadequate

Some observations to The Post by President Clarence F. Wood of Hobbs, whose new home, featuring "window walls" and complete air-conditioning, is a Toronto show place:

"We could sell 20 times as many of these multi-pane window units as we can get, even though delivery from United States has improved following settlement of the glass strike.

"Their chief significance is that they're speeding the day of air conditioning in the popular price home.

"They cost no more right now than their equivalent in ordinary window frame and sash, screening and storm sash, painting of frame and sash, handling of screening and storm sash.

"Rarely in most Canadian regions where they have been tested, will the multi-pane windows frost on the inside. The double-pane unit does an economical job of reducing cold air current down the inside of the window and across the floor. The triple-pane units adds solid comfort—completes the job of keeping the interior window face at room temperature without measurable cost in heat loss from the source."

Steel sash and millwork manufacturers, hardware and paint firms argue Mr. Wood's statement on relative costs. But neither side so far has made available detailed average cost estimates and efficiency findings, on which the case must rest.

EDMONTON LEARNS — that Anglo-Canadian Oil Co. has acquired 483,000 acres for oil exploration purposes in the Notikewin area north of Peace River. This has taken up three crown reserves along the route of the projected 400-mile Grimshaw-Great Slave highway, where oil development was active from 1916 to 1920. Drillings showed gas and oil; the chief difficulty was water conditions.

Ban Speculation In Real Estate If Taxes Unpaid

From Our Own Correspondent

RIVERSIDE — Speculation in former municipally owned property, now under contract of sale, will be curbed by council, here, with the approval of Hon. George Dunbar, Minister of Municipal Affairs. Contracts totaling about $70,000 are involved.

The property, acquired by the municipality for tax arrears, was sold to private owners in 1936 and 1937 at bottom prices. Since then taxes on the property have been allowed to go into arrears, but owners are reported disposing of the property at inflated prices. Council has ordered payment in full of principal and interest and tax arrears by June 30, 1946; otherwise the agreements will be cancelled.

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Keasbey & Mattison Co., Ambler, Pa., recommends Remington Rand Punched-Card Accounting as the logical means for controlling a large, complex operation and furnishing directors with active data.

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THE INSTITUTION of Life Insurance has well earned public acceptance as the best method by which the individual can secure immediate financial protection for himself and his family.

Your selection of Dominion Life is evidence of your confidence in the special benefits and values provided by Dominion Life Policies, a confidence shared by over 92,000 Policy Owners.

Your preference, together with sound, capable and cautious Company management — have combined to make possible the gratifying success and the excellent progress made by the Dominion Life, as shown in the Company's Annual Report for the year 1945.

SOUND, SOCIAL SERVICE . . .

Dominion Life is indeed the financial guardian of hundreds of thousands of Dependents—their security from want being assured by individual Dominion Life Policies which provide exceptional benefits — outstanding among which is the "Dominion Security Plan", a fitting name for an exceptionally advantageous policy.

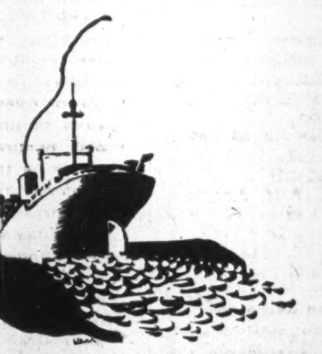
HIGHLIGHTS FROM 57th ANNUAL STATEMENT
DURING THE YEAR:
THE ASSETS SHOWED
a $6,448,800 INCREASE
AND NOW TOTAL $68,796,035
BUSINESS IN FORCE SHOWED
a $23,634,153 INCREASE
AND NOW TOTALS $272,045,891
PAYMENTS TO POLICY OWNERS AND BENEFICIARIES WERE OVER
$3,440,000
OF WHICH 58.6% WAS PAID TO LIVING POLICY OWNERS.
OVER $35,724,000 OF NEW BUSINESS WAS PLACED DURING THE YEAR.

A complete copy of the Annual Report for 1945 may be secured from any of our Branch Offices which are located in principal cities, or from the Company's Head Office in Waterloo, Ontario.

BRANCHES IN ALL PRINCIPAL CANADAN CITIES

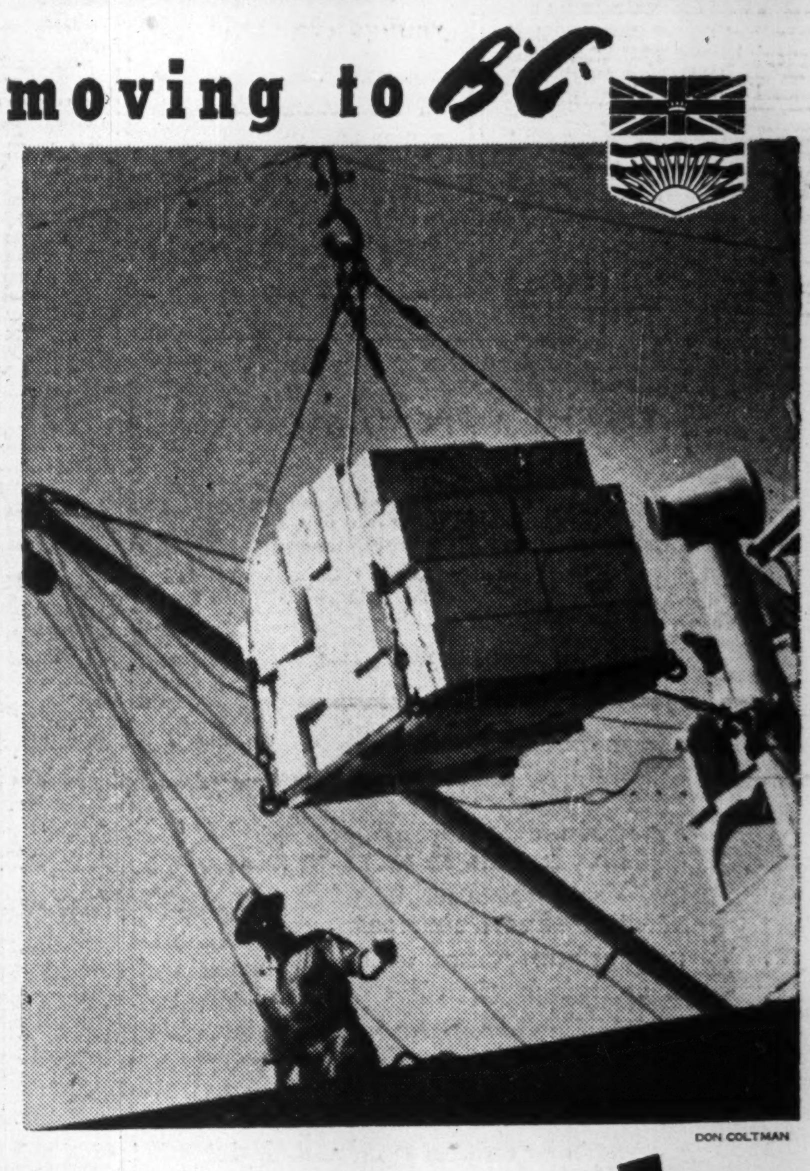
THE Dominion Life ASSURANCE COMPANY
Since 1889
HEAD OFFICE: WATERLOO, ONTARIO

Business is moving to B.C.



EXPORT

is one reason why



DON COLTMAN

What is your business? Are you interested in foreign trade? Does Pacific tide-water concern you? Do the millions of customers across the Pacific in Russia, China, Japan, Australia and South America mean business for you? If so, investigate British Columbia, Canada's strategic Pacific gateway with year-round port facilities, before you decide your expansion plans.

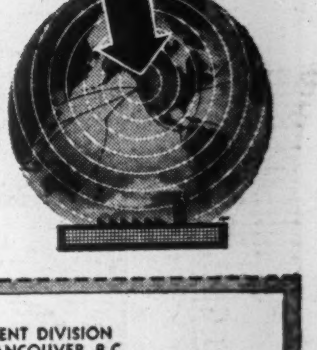
British Columbia has much to offer industry —a multitude of building sites, an abundance of cheap hydroelectric power on Pacific tidewater, vast resources of raw materials and plenty of skilled labor.

Shipping facilities in B.C. are second to none. From the harbors of Vancouver, Victoria, New Westminster and Prince Rupert will pour the products of the whole Dominion to Hawaii, Fiji, Dutch East Indies, Siam, Borneo, the Philippines. Forty-seven different steamship lines call at Port of Vancouver. B.C. is served by three trans-continental railroads, three air lines and modern highway facilities accelerate motor freight.

B.C. has her domestic market too, Alberta, Saskatchewan, Manitoba — a prospering people numbering 3¼ million, with more money than ever before to buy your products.

To these many advantages add the finest all-round climate, most varied scenic beauty and best living conditions in Canada . . . and you have British Columbia.

Private industry made this province and British Columbians will help make your business. From the viewpoint of your own personal opportunity, can you understand now, why—"Business Is Moving To B.C."?



There's Business for *You* in British Columbia

B.C. Electric
ABUNDANT POWER ON PACIFIC TIDE-WATER

INFORMATION PLEASE

B. C. ELECTRIC
INDUSTRIAL DEVELOPMENT DIVISION
600 GRANVILLE ST., VANCOUVER, B.C.
Please send complete information on British Columbia to
NAME ____________
ADDRESS ____________

WANTED:

$50,000 Province of New Brunswick (High coupon, Long Maturity, N.C.)

$50,000 Province of Quebec (High coupon, Long Maturity, N:C.)

$25,000 B. C. (Vancouver Drainage) 4½%, 1 Sept. 1965

$25,000 Ottawa Electric Railway Co. 4%-4½% 1st Mort. Serials, 2 July, 1946-55

$25,000 Ottawa Light, Heat & Power Co. Ltd., 4%, 1 October, 1957

CREW & CO.
INVESTMENT DEALERS

Tel. 5-7251* 18 Rideau St., Ottawa

Correspondents:

Toronto Montreal New York London, Eng.

Millers, Ottawa Discuss Flour Policy For Canada

As a result of President Truman's action requiring 80% flour extraction from wheat in the U. S., Canadian flour millers are meeting Cabinet members this week to decide on a Canadian policy, The Financial Post is informed. It is regarded as a favorable sign that the millers are being consulted. In the U. S. where they were not consulted, leaders in the milling and baking industries are reported protesting the action and suggesting some form of rationing as preferable to high extraction flour.

Present rate of flour extraction from wheat for domestic consumption is about 72% both here and in the U. S., although the actual rate may vary for individual mills, The Post is informed. The balance of about 28% consists of millfeeds—middlings, shorts and bran. The most serious effect of jumping the extraction rate to 80% would be over a 20% reduction in the already short supply of millfeeds available, millers say. This in turn, might either adversely affect dairy, cattle and hog production or might mean diversion of the lower grade wheat and of other grains to feeding purposes on the farms.

For consumers, such action would mean a darker, coarser flour which, while perfectly edible, will show an effect in its bread and cake making qualities, it is stated. Actually Canadian mills now are extracting at about 78% for export. This flour is very similar, although not exactly the same, as Canada-approved flour, for which bakers found only a small demand, The Post is told. In Canada less than 6% of flour sales for human consumption are of Canada-approved flour.

While scientific men say there is a higher vitamin content in the lower grade flour, millers point out that it is possible to enrich white flour by adding to its vitamin content synthetically without destroying its acceptability.

For millers, time and in some cases new equipment, which is difficult to obtain, would be required to make the change. Few if any Canadian millers could make an 80% extraction as they are not equipped for it, one miller tells The Post. The "stream," rollers, grinding equipment, etc. would all have to be adjusted. With demand considerably in excess of supply, no difficulty is anticipated in selling the product.

Although the percentage of product extracted in milling may be varied following is one rough estimate of present practice:

Flour	72%
Middings	6%
Shorts	12%
Bran	10%

The 72% flour extracted, will include patent flour (highest grade) bakers' grade flour and first or second clears (lower grade flours used for dog biscuits, fox feeders, etc.) The amount of each extracted will depend on the qualifications set by the milling company for its brands.

Gasoline Prices Unlikely Lower

No decrease in the price of gasoline is expected in Canada unless it is required to meet competition from sales of distress gasoline from the U. S., The Financial Post is told. In the eastern and southern U. S. prices have been cut from 3/10c. to 1¼c. a gallon due to piling up of gasoline stocks resulting from the demand for fuel and bunker oil. This condition does not prevail in Canada, it is stated. The cut in U. S. prices is believed to be only temporary until the fuel and bunker oil situation clears, particularly as an increase is expected in crude oil price.

Tip Top Tailors Plans Expansion

Tip Top Tailors Ltd. will begin an expansion program just as soon as conditions in the clothing business are a little more normal, Ben Dunkelman told store managers at a convention this week.

"In certain large centres new stores will be opened and several existing stores will be remodelled entirely where necessary," Mr. Dunkelman said. "These stores will be the absolute last word in modern merchandising design. We plan to expand our present 36-year-old policy of made-to-measure clothing for men and women by introducing ready-made seasonable merchandise such as slacks, sports jackets, raincoats and topcoats. We find that there is a large demand for this type of merchandise. Our ladies' department, too, will be expanded."

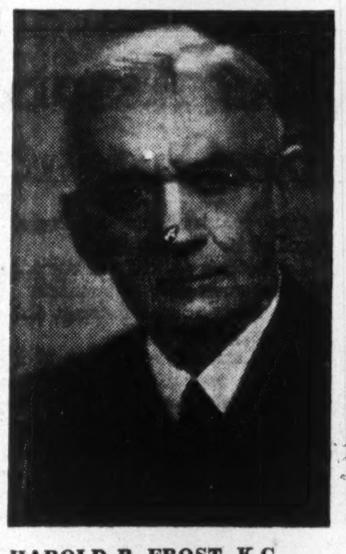
Imperial Locates Oil in Ontario

A flow of oil estimated at approximately 25 barrels per day has been encountered by Imperial Oil drillers at Imperial Bechard No. 1 well approximately three miles north of Wallaceburg, Ont. The oil was found at a depth of 1,859 ft. and believed to come from the Salina formation. A bailing test to determine the rate of flow is now in progress and tanks have been moved in to store the oil which is approximately 36 degree gravity and of paraffin base.

The strike may portend discovery of an important oil field but only future drilling can determine this.

The well is being acidized in the hope of enlarging production.

Imperial Oil has been carrying on a drilling program in western Ontario since last summer and 14 wells have been completed. Shows of oil were encountered in several of the wells but whether there is enough oil to make them of commercial worth will not be ascertained until they are treated with acid.



HAROLD R. FROST, K.C.

senior partner of the law firm of Briggs, Frost, Birks & Langdon, has been elected a director of Sterling Trusts Corp.

Silverwood West. New Bond Issue

To replace former higher interest bearing bonds and add to working capital Silverwood Western Dairies are selling $1.2 millions new bonds and an additional $200,000 5% preferred stock.

The new issue consists of $600,000 3% 10-year serial bonds to be dated April 1, 1946, and to mature $60,000 annually, and $600,000 4% bonds to be dated April 1, 1946, and maturing in 1966. The 3% bonds have been purchased by the company's bankers.

On completion of the new financing, capitalization will consist of the new bond issue, all outstanding, $1,200,000 5% cumulative preference shares ($100 par value) of which $700,000 will be outstanding and 100,000 common shares all outstanding.

Present first mortgage bonds of the subsidiary companies, now outstanding in the amount of slightly over $900,000, will be called for redemption as of April 1, 1946. Bondholders are being given the opportunity of subscribing to the new issue.

Government, Municipal and Corporation Bonds

In matters relating to investment or the underwriting and distribution of securities, the facilities of our organization are always at your disposal.

Bond offerings furnished upon request.

36 King Street West
Toronto
Telephone: ELgin 4321

Wood, Gundy & Company
Limited

Fine Advances Reported By Equitable Life In 1945

Balance Sheet, December 31, 1945

ASSETS

Real Estate:		
Office Premises	$80,000.00	
Other (Held for Sale)	52,891.72	
		$ 132,891.72
Mortgages on Real Estate		8,604,024.34
Agreements for Sale		624,255.31
Loans on Policies		985,003.70
Bonds and Debentures, Book Value		5,964,667.38
Stocks, Book Value		101,591.75
Cash on Hand and in Banks		20,308.32
Interest Accrued		72,931.74
Premiums Due and Deferred (Net)		194,063.74
Other Assets		8,168.15
TOTAL ASSETS		$16,707,906.15

LIABILITIES

Policy and Annuity Reserves	$13,869,523.00
Provision for Unpaid and Unreported Claims	204,253.00
War Mortality Reserve	75,000.00
Amounts Left with Company at Interest	490,190.00
Premiums Paid in Advance	12,514.78
Interest Paid in Advance	1,066.14
Taxes, Expenses and Accounts Due and Accrued	54,779.46
Other Liabilities	25,171.20
Dividends Allotted to Policyholders	40,258.00
Staff Pension Funds	93,047.00
Investment and Contingency Reserves	625,000.00
CAPITAL PAID IN	327,155.00
SURPLUS	889,948.57
TOTAL LIABILITIES	$16,707,906.15

Assets increased by $828,347 . . . Policy Reserves $548,388 higher . . . Insurance in Force raised to $51,466,832 . . . Payments to Policyholders and Beneficiaries $551,432 . . . Gross rate of interest earned on ledger assets 5.1%.

PROTECTION
THE EQUITABLE LIFE
INSURANCE COMPANY OF CANADA
HEAD OFFICE—WATERLOO, ONTARIO

GOVERNOR GOLD MINES states No. 3 drill hole is at present beyond 700 ft. on way to objective of around 1,000 ft. No. 2 hole, drilled to 1,000 ft., cut various phases of Flavrian Lake batholith and shows sections of granite, granodiorite and alaskite.

HORACE T. BURGESS

member of the Toronto Stock Exchange firm of Charles H. Burgess & Co., has been elected a director of Sterling Trusts Corp.

Govt. Timber Controls Held Still Necessary

MONTREAL (Staff) — Government control over timber distribution and prices should be retained while present scarcity of stocks exist, D. A. Gilies, president of the Canadian Lumbermen's Association, told its annual meeting here.

Business should demand that controls be removed at the earliest possible moment consistent with safety, he said, but he predicted that immediate lifting of all controls, with present scarcity of stocks would be disastrous. Runaway markets with inflated values which would benefit no one but the speculator, would result, he feared, and would exact "terrible penalties" later from the industry and the country.

Mr. Gillies added, however, that consideration should be given to price adjustments, in view of cost increases. The greatest enemy of inflation is production, and the price-cost relationship should be kept in balance to encourage maximum production, he maintained.

Supply of lumber available for Canadian needs continues short of demand, even though 1945 supply exceeded that of a normal peacetime year; and a heavy responsibility was envisioned for members of the association, to allocate stocks to such essential uses a house building, rather than nonessential building such as summer cottages etc.

Mr. Gillies, as regards exports, held that Britain should be supplied with at least its minimum requirements.

Mr. Gillies said plywood is here to stay, and urged lumber men to study realistically the question of establishing plywood plants at strategic points where there is sufficient raw materials to guarantee continued operation.

W. J. LeClair, secretary-manager of the association, reported that the organization had taken a prominent part in affairs of international interest during the past year, including negotiations between the governments of Canada, the United States and Great Britain. Increase in association membership in 1945 was a larger figure than the entire membership in 1940. The association now has 944 members.

FOREIGN TRADE ENQUIRIES

Herewith The Financial Post offers a further collection of enquiries in a new service to Canadian business. The following are definite trade proposals and enquiries for Canadian goods from firms in foreign countries.

The queries here listed come from foreign readers of The Financial Post, other Maclean-Hunter publications and particularly from Industrial Progress, the Maclean-Hunter publication of Canadian trade abroad.

As an additional free service, similar concise statements of trade proposals by Canadian firms producing industrial equipment for export will be published by Industrial Progress which circulates in more than 30 foreign countries. Please send your announcements to the same address.

The service is designed to facilitate our foreign trade by assisting firms here to find out about foreign business opportunities and to contact foreign business firms directly and immediately.

Write The Foreign Trade Service Bureau, The Financial Post, 481 University Ave., Toronto 2, for full information on any bulletin below, and please give the code number preceding the item.

CM121, ARGENTINA — Factory superintendent wishes to arrange purchase of steels and tools for wrought metals; measuring instruments, both manual and mechanical, and asks interested Canadian firms to send full particulars, including price lists, catalogues, etc. Correspondence in Spanish.

E90, INDIA — Importer proposes direct purchase for resale of following items of Canadian production: rayon and woollen piecegoods, paper, printing inks, stationery, household electrical appliances, buttons, and pharmaceuticals.

G62, EGYPT — Source of supply sought in Canada for pharmaceutical specialties by aggressive and successful import firm, ordinarily operating on commission basis. Well developed market offered for standardized vitamin preparation in range from "A" to "K," so long as they conform to B.P. or U.S.P. in rated qualities. Prices should be competitive and literature supplied in French and English. Following immediate trade in such pharmaceuticals—with transactions possible at once, under existing exchange regulations—concern also offers large outlet for cosmetics when foreign trade controls relaxed and desired immediate firm offer in this field.

D91, ARGENTINA — Contact sought with producers of oak wood, plain and grained, in current types available for export; also source of supply sought for iron tubing, seamed and seamless, for water and heating systems.

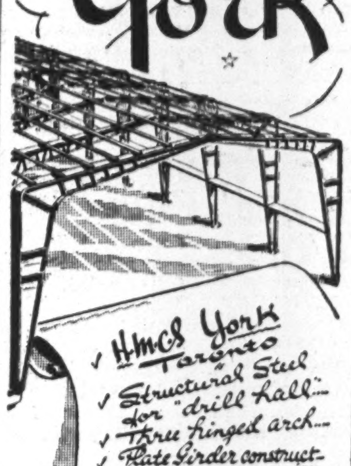
G63, PORTUGAL — Canadian sources of supply sought for optical goods, metal, plastic or celluloid frames for glasses, various types of lenses, etc., all to be of the best quality and manufacture and of good appearance. Full particulars are requested, of goods that can be supplied, terms of sale, and correspondence should be in Portuguese or Spanish. Bank references are given.

CM122, INDIA—Importer, interested in purchasing for resale, asks for catalogues and price lists of electrical, mechanical and textile machinery and accessories; also interested in placing such equipment on a commission basis. Direct correspondence invited immediately on items mentioned.

D92, INDIA—Manager of industrial enterprise operating as charitable institution requests quotations and particulars covering boring machines for use on engine cylinder blocks.

CM123, ARGENTINA — Direct purchases proposed from interested Canadian firms producing machinery, tools and accessories useful to ceramics field as well as manufacture of valves. Inclusion of catalogues and price lists requested in replies. Correspondence in English or Spanish.

WANTED
Immediate Offers for
EXPORT
All types commodities
Cash against documents
Box 66, The FINANCIAL POST, Toronto.



WANTED
IMPORT BUSINESS
Will purchase on terms or substantial cash payment.
Box 124, The Financial Post, Toronto

SALESMAN

Aggressive, enthusiastic, sales-minded man, capable of handling industrial line.

Selling experience and engineering or technical training desirable.

Real opportunity with well-established growing concern, for the right man.

Reply Box 82, The Financial Post, Toronto.

GUIDANCE

BY appointing The Sterling Trusts Corporation as your executor, you have the benefit of expert assistance in the planning of your will and in the periodic checking of this important document, with revision if necessary.

Your beneficiaries will have the advice of a fully qualified senior officer who takes a personal interest in their welfare, and who has at all times the closest co-operation of executives experienced in business matters, investments, real estate, insurance, accounting, etc.

THE
STERLING TRUSTS
CORPORATION
Sterling Tower, Toronto 1
35 years in Business

Growth Companies

Common stocks of companies whose earnings indicate a steady uptrend and whose facilities are expanding, offer definite long-term investment attraction combined with possibilities for capital appreciation.

CANADIAN CELANESE MASSEY-HARRIS
NATIONAL STEEL CAR

Analyses Available on Request

THOMSON & Co.
MEMBERS
MONTREAL STOCK EXCHANGE MONTREAL CURB MARKET
THE TORONTO STOCK EXCHANGE

Private Wires to All Offices

MONTREAL NORANDA TORONTO

UNION INSURANCE SOCIETY OF CANTON

BRITISH BORN

. . . AND TODAY ENCIRCLING THE GLOBE

More than a century ago a group of British traders in Canton — exporters to the United Kingdom and other countries — met together to pool the hazards of overseas shipping. This was the early beginning of what is now the Union Insurance Society of Canton Limited — a British-born organization, established with British capital.

Starting out to provide insurance protection for export shipping, the Union of Canton now has agencies in virtually every part of the world, and has extended its operations to embrace all forms of general insurance.

Low "Tariff" RATES • Liberal "Tariff" BENEFITS

Working through affiliated Boards of Insurance Underwriters and having access to the pooled statistical material and experience of other Tariff Companies, the "Union of Canton" is able to offer valuable advice on all matters relating to general insurance. From factual knowledge and by adherence to sound insurance practices, this well-known Society provides sound indemnity at correspondingly low "Tariff" rates.

UNION INSURANCE SOCIETY OF CANTON LIMITED
FIRE • MARINE • GENERAL INSURANCE • EST. 1835

HEAD OFFICE FOR CANADA: METROPOLITAN BLDG., TORONTO • COLIN E. SWORD, *Manager for Canada*

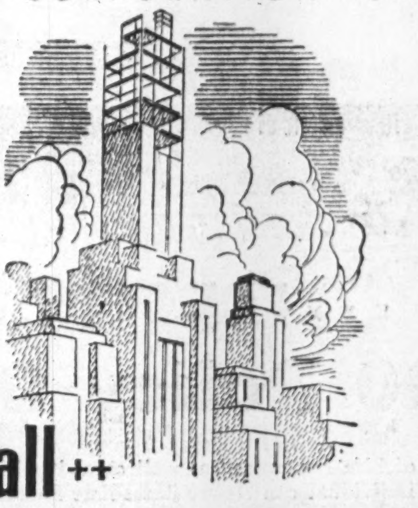
COMPANIES OF THE "UNION OF CANTON" GROUP

British Traders Insurance Company Limited - The British Oak Insurance Company Limited - Beaver Fire Insurance Company

Also under same management in Canada: The South British Insurance Company Limited

21A

ARGUS CORPORATION LIMITED



How Tall ++ Depends on the Foundation

THE MEASURE of a building or a business is the strength of its foundation. Standing on the threshold of a tremendous anticipated development in Canadian industry, manufacturing and merchandising, Argus Corporation Limited faces a future of sound progress and expansion.

As an assurance of present stability, Argus Corporation Limited owns a substantial number of shares of Canadian Companies including Canadian Breweries Limited, Massey-Harris Company Limited, Canadian Food Products Limited, Standard Chemical Company, Limited, Dominion Stores Limited, Dominion Malting Company Limited, Orange Crush, Limited. Each of these companies has unusual expectations of future growth. A further assurance of the continued success and progress of Argus is the fact that one or more members of the Argus board are among the directors or officers of these companies.

As a promise of future expansion, Argus Corporation Limited plans to concentrate investments in a limited number of enterprises showing probability of future growth. It also proposes to take advantage of "special situations" which occur from time to time and which offer opportunities for profitable investment.

OFFICERS OF ARGUS CORPORATION LIMITED

David G. Baird, New York City
W. L. Bayer, Montreal
E. W. Bickle, Toronto
H. J. Carmichael, C.M.G., St. Catharines
J. S. Duncan, Toronto
W. K. Fraser, K.C., Toronto
Roger Gilbert, New York City
J. W. Horsey, Toronto
K. S. Maclachlan, O.B.E., Toronto
H. R. MacMillan, C.B.E., Vancouver
M. W. McCutcheon, Toronto
Allan Miller, London, England
Felix E. Notebaert, Montreal
W. E. Phillips, Toronto
S. Freeman Raymond, New York City
J. S. D. Tory, K.C., Toronto
E. P. Taylor, Toronto

As Principals, we recommend the purchase of the 4½% Cumulative, Convertible, Redeemable Preference Shares (par value: $100) of Argus Corporation Limited, which are listed on the Toronto and Montreal Stock Exchanges.

Burns Bros. & Denton
Limited
244 BAY STREET, TORONTO

MOULDED RUBBER PARTS by GRIFFITH TO YOUR SPECIFICATIONS

Intricate moulded rubber parts of all kinds are a Griffith specialty. Everything from flavored dog bones to collapsible coverings for airbrake mechanisms — grommets, bumpers, gaskets, washers, tops, etc. Made from crude, synthetics, reclaim.

If it's Rubber, ask Griffith.

INDUSTRIAL RUBBER DIVISION

G. L. Griffith & Sons Limited

STRATFORD · CANADA

INVESTMENTS THIS WEEK

Bond Prices Continue Up Lower Coupons Talked

The striking rise of Canadian high-grade bonds was resumed again last week, taking them to new highs this week. Ninth Victory Loan 3's of 1966 climbed to $104 to yield 2.69% and up $1⅝ since Jan. 15. The 3% Dominion perpetuals ran up to $103½ to yield 2.90%, up $1¾ in the same period.

Leadership to the Canadian market was given by both the U. S. and London markets. As a result of the U. S. Treasury's reported decision to continue its low interest rate policy unchanged for the present, Treasury 2½'s of 1967/72 jumped the ¼ point maximum four days in a row to be quoted $104 22/32 bid to yield less than 2.25%. These bonds were offered for subscription at par in December. In U. K., government 3%'s of 1965/75, which were sold at par up to Dec. 15, 1945, were quoted at $103⅞ to yield about 2.75%.

Chief factor in all markets was the belief that interest rates may go still lower. Canadian investors are talking a 2¾% coupon for the next Dominion loan long term bonds. In the U. S. a 2¼% coupon is being talked while in U. K. a 2½% rate is mentioned although the present market would not seem to support it.

With the rise in price of U. S. bonds, the demand for Canadian internal bonds from the U. S. for the higher yield is again increasing and is partly responsible for the rise here, investment dealers say. As a result of the belief that bond prices are going higher and rates lower, Canadian investors are loath to sell their bonds which is giving them a scarcity value.

Many Canadian corporations are said to be hesitating over their refunding programs, feeling that better deals may be possible in a month or so.

• • •

Says Royal Trust Policy Is To Watch Stock Sales

The Royal Trust Co. policy is to see that shares of its stock are in the hands of persons whose interest will be available to the company, according to President R. P. Jellett.

Advantage is taken of the company's right to acquire shares of its stock that are offered for sale or transmission at a price fixed by shareholders from year to year and particularly in cases where shares are offered for transmission on the death of a shareholder. (Present price is $85 a share.)

By exercising its right plus the fact that shares are resold in small lots only, the size of shareholdings is being continually broken down. Of the present 769 shareholders, McGill University with only 4% of the outstanding shares is the largest shareholder and the only original shareholder. Apart from McGill, there is now no single holding of shares greater than 2.1% of the issued capital of the company and only a few over one half of 1%, Mr. Jellett stated. With the exception of some small lots of shares which have been sold to life insurance companies, or are owned by personal holding companies no shares have been sold to or have ever been owned by any bank, investment trust, any company or corporation.

• • •

Says Argus Preferred Gives Option on Common at $14.36

Investors considering purchasing an interest in Argus Corp. are better off buying the 4½% convertible preferred stock than the common warrants it is pointed out. Warrants entitle holders to subscribe for common shares up to Dec. 30, 1950 at $12.50 per share. As they are currently selling about $3, each common share would cost the purchaser a total of $15.50. At the present market price of about $100.50 for the preferred, its first conversion feature would mean that common could be obtained at a cost of only $14.36 per share up to Dec. 31, 1950. Meanwhile preference holders would obtain a 4.48% yield on their investment until conversion.

• • •

EASTERN STEEL PRODUCTS LTD. now owns 92.97% of the Class A and Class B shares of W. D. Beath & Sons, as a result of their recent share purchase offer, The Financial Post is told.

• • •

The funded debt of the Dominion and the provinces outstanding in January, 1946, is given in detail in a new handbook issued by the Investment Dealers' Association of Canada, for the convenience of investors and dealers. With the handbook is a list of members of the association.

EDGAR G. BURTON,

managing director of the Robert Simpson Co., has been elected a director of the Toronto General Trusts.

TREASURER

NORMAN H. PENNEY

Whose appointment as Treasurer of the Canadian Doughnut Company has been announced.

B.A., Ajax U. S. Subsidiaries Pipeline Operating, Flow Up

The new pipeline through the Steamboat Butte and Pilot Butte oilfields in Wyoming, where British American Oil Producing Co. has a 75% interest and Chatham Oil Co. a 25% interest, started operations on Jan. 1, 1946 and is now operating at full present capacity of 5,500 barrels a day, The Financial Post is told. The first company is a wholly owned subsidiary of British American Oil Co. and the latter of Ajax Oil & Gas Co.

This pipeline connects the field with the new Standard Oil, & Gas Co.'s main pipeline running from the Rocky Mountains to Chicago. It facilitates delivery under the 5-year contract with the Standard Oil Co. of Indiana for a minimum of 5,000 barrels of crude oil a day. (See The Financial Post, July 14, 1945.) Formerly production was marketed through trucks and tank cars. Present capacity of this 8-inch pipeline could be stepped up with additional pumping equipment to around 10,000 to 12,000 barrels a day, it is stated.

The production of this oil field has now been stepped up to over 5,000 barrels a day and is at present around 5,500 barrels a day, The Post is told. Present daily production is about 1,000 barrels a day higher than at last July and about 2,000 barrels a day higher than at the end of April, 1945. Sales are expected to continue between 5,000 and 6,000 barrels a day.

The test well which was being drilled about two miles north of the producing well in the Tensleep Sand has produced only a small flow of crude. This fairly conclusively defines the north limits of the field so that the whole field is now outlined on all sides, The Post is told. Roughly, the structure extends five miles from north to south and 1½-2 miles from east to west.

Enhanced earnings for British American Oil Producing Co. and Chatham Oil Co. would seem to be indicated from the increased production of this field.

Canada Packers Gets Boeing Plant

VANCOUVER — The third of Boeing Aircraft of Canada Ltd.'s plants—a 50,000 sq. ft. structure on Terminal Ave.—has been sold through War Assets Corp. to Canada Packers Ltd. for $72,000.

This building, just across the road from Canada Packers' present plant, will be used for expansion of present facilities and for certain new products. Two types of food manufacturing operations, new for the company in B. C., will be conducted. Boeing's Sea Island plant had previously been turned over to the army and their small plant at Coal Harbor, Vancouver, to B. C. Packers Ltd.

DOMINION LIFE ASSURANCE CO. reports a 16% increase in business in force at the end of 1945, total now $272 millions. New insurance at $35.7 millions was 15% higher. Rate of growth of business in force exceeds the new production, President Ford S. Kumpf told the annual meeting. Assets and reserves increased to $68.8 millions and $54 millions, respectively.

Total income was $11.7 millions. Payments to policyholders and beneficiaries were $3.4 millions and $4.4 millions was added to policyholders reserves.

	1945	1944
Insurance in force	$272,045,891	$248,411,738
New insurance ..	35,724,320	31,129,878
Total income	11,765,366	11,019,309
Pd. p'hold. & ben.	3,440,218	3,039,651
Add. to p'hold. res.	4,412,044	3,832,059
S'holders divids. .	33,600	33,600
Liabs. to p'holders inc. policy res...	63,509,125	58,208,701
Liabs. to s'holders	490,218	493,900
Other liabs.	2,634,734	1,573,118
Total assets	68,796,035	62,347,154
Net surplus	2,161,958	2,071,432

ECONOMICAL MUTUAL FIRE INSURANCE CO. of Kitchener, Ont., shows total assets of over $4 millions for 1945. Policyholders reserves were about $84,000 higher and policyholders surplus rose $100,000.

	1945	1944
Total assets	$4,080,697	$3,818,499
Bonds	2,886,293	2.557,972
Mortgages	643,559	704,992
Stocks	196,798	199,696
Cash	92,019	118,097
Total liabs.	1,036,730	878,252
Net reserves	663,909	578,834
Prov. for unpd. cls....	225,759	160,037
P'holders surplus	3,043,967	2,940,247

CANADIAN PACIFIC RAILWAY reports that the new fast 10,000-ton turbo-electric cargo lincr Beaverdell is nearly completed in Glasgow, and is scheduled to sail from Liverpool to Saint John, N.B., on Feb. 28. The new cargo liner will be added to the North Atlantic freight service.

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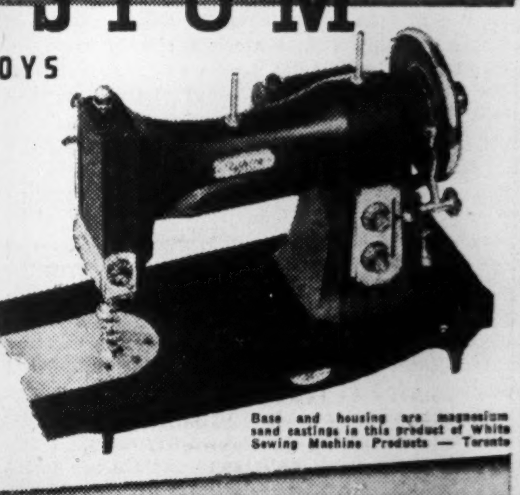

Base and housing are magnesium sand castings in this product of White Sewing Machine Products — Toronto

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ANDREW J. B. CARTER . . .

has this to say . . .

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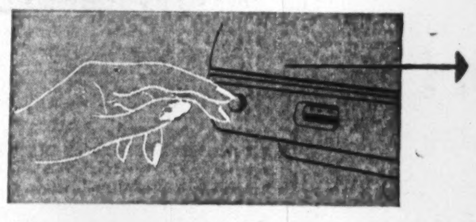

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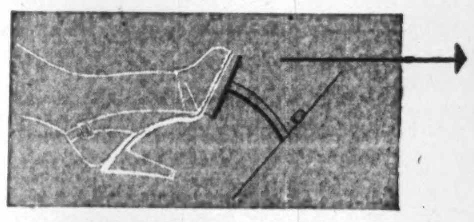
Conveniently located on the dashboard, Push-Button starting with Bendix Starter Drive is especially preferred for extreme ease of operation. Simple to operate . . . inexpensive to install . . . easy to service.



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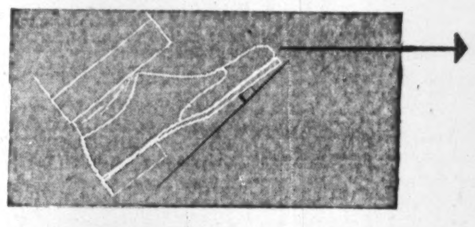

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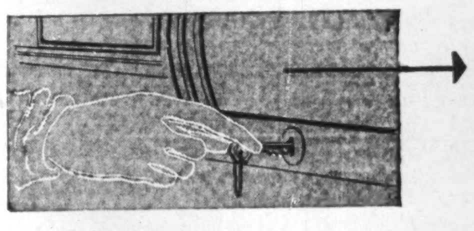

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Startix*, or "Switch-Key" starting, is the simplest form of automatic starting. Once the ignition key is "on" Startix is in automatic control of your engine. Entirely eliminates the starter button and prevents accidental starter engagement.

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A Chance for Wider Export

Behind the signing of the trade treaty with Mexico last week is a big issue affecting future Canadian trade policy.

Mexico is one of a score of countries where postwar trade opportunities—for Canada—far exceed pre-war volume. It is not a so-called "traditional" market for Canada. But it is a market which may, in the next few years, produce quite readily an annual volume of close to $50 millions of total trade. Our ambassador to Mexico, Hon. Hugh L. Keenleyside, is said to have arrived in Ottawa recently with close to $25 or $30 millions of potential export orders in his brief case.

But there is a catch in some of this business.

Some of it at least is conditional upon Canada making a gesture now, toward meeting Mexican needs in this time of general world shortage of many products which Canada can supply. If we could supply Mexico immediately with, say, a certain amount of kraft paper we could place a 20-year contract which would assure a steady and profitable outlet for that product.

If we were still at war, the government could, if it wished, allocate so much kraft, or other products to Mexico or other markets. But it is government policy to get away from controls as quickly as possible. Only those trade controls which are necessary to send food, etc., to UNRRA or to protect the home market where export prices are much higher, are being retained. For the rest, the government is wisely leaving it up to individual manufacturers to decide whether kraft (or other exportable goods in short supply) shall go to Mexico or to some other market. This means that a big responsibility rests on Canadian business to use the utmost foresight, imagination and enterprise in seeking out potential new markets for Canadian products—even if those new markets mean a little immediate extra effort or study or initiative on the part of the Canadian supplier.

The easy thing for a lot of business firms right now is to sell in the "traditional" markets. These are probably the markets where trade connections are well established; where buyer and seller understand each other—probably speak the same language, and so forth.

But looking ahead, this policy may not be the one which will net the greatest long-run advantage to Canada.

In the past, too much of our exports went to one or two countries. So long as these big buyers were placing big orders, everything in Canada was fine. When for any reason they stopped buying or started cutting down on price, Canada was in difficulty.

Just now, by careful, imaginative sales policy, Canadian business, in partnership with an able and far-flung trade commissioner service, has unique and unparalleled opportunities for laying a broader basis for postwar trade. Some of the greatest of these opportunities lie in cultivation of the important Latin-American market. Getting our trade channels established **now** is essential. That can only be done by making some supply of goods available now even if that means delay in meeting domestic orders.

Why Continue Ban on Margarine?

Butter output is slipping. Producers are asking higher prices. The national ration, already slim, has been cut again.

Under these circumstances the Canadian consumer may well ask what justification there is for continuing the ban on the manufacture and sale of oleomargarine.

During the war when imports of oleo raw materials from the Pacific were cut off there would have been little gain in resuming manufacture, but the situation has changed in the last six months. Ample raw materials should soon be available again. There seems no reason at all why Canadain consumers should be further deprived of a healthful food product that is available in almost every other country, including the United States and Great Britain.

The ban, which was applied against the manufacture and sale of oleomargarine shortly after the end of the First Great War, is much more than an ordinary protective measure. It gives the butter producers of this country an absolute monopoly, and monopolies are hard to justify under any circumstances.

Had butter producers kept the domestic market fully supplied at reasonable prices there might have been less reason for criticism, but the domestic market has not been fully supplied and our relatively small exports to Britain are not a factor in this situation. Actually our butter exports during the war have never amounted to more than a tiny fraction of total output and are not to be compared to the reduction in domestic demand as a result of rationing. The plain truth is that, despite a monopoly and subsidies, Canadian butter producers have not begun to fill the potential domestic and export demand.

Good Canadian butter, in contrast to that of poor quality, has nothing to fear from competition with margarine. When available and when they can afford it the average housewife will take good butter every time. But the present ban on margarine prevents millions of housewives from getting a product to supplement their inadequate butter ration and it is direct encouragement to the growth of inefficiency and low quality production in the dairy industry.

Why Insurance Grows

Total life insurance in force in Canada is equivalent to $850 per capita with more than half the population directly interested either as policy holders or beneficiaries. As this protection has grown so have Canadian life insurance companies.

An outstanding example is that of the Sun Life Assurance Co. which held its 75th annual meeting this week. Fifty years ago the Sun had less than $35 millions insurance in force; today that figure has expanded almost 100 times to $3,390 millions.

The phenomenal growth of this and other Canadian insurance companies was well explained by Arthur B. Wood, president of Sun Life, as follows:

> "Apart from sound management, which is a prerequisite, to success in any endeavor, the answer in brief is the spirit of healthy competition that has prevailed among the companies, the attention devoted to the development of the agency system, and the administration of sound life insurance laws.
>
> "Competition in life insurance consists mainly in the effort to provide better service to policyholders. No company has ever had a monopoly of a new idea. Whenever a company develops a new feature which has particular merit, that feature is soon adopted by the companies generally. Many of the privileges and benefits contained in present-day policies, and now made compulsory by law, were first conceived and adopted voluntarily by some company for the purpose of improving its own policy contract.
>
> "It is now well recognized that without a strong, aggressive and well-qualified agency organization no company can hope to make much progress. This is clearly borne out by the failure, or at best the very limited success, of every effort on the part of governments or private institutions to conduct the business of life assurance without agents."

That conclusion does not jibe with the great benefits socialists claim would follow the government taking over the insurance companies, but facts and socialist theory don't jibe.

Grave Responsibility Here

Many hopes rest on next week's national construction labor-management conclave in Ottawa under auspices of the Department of Labor and National Joint Conference Board of the Construction Industry. First such conference, in 1921, established the effective relations which marked the difficult 1930's; the last one, in 1941, gave Canada a billion dollar war building program relatively free of labor trouble.

Problems today are no less critical. Grave responsibility is shared by construction labor and management for a full-out building program to bulwark the national employment program and provide the houses, hospitals and factories for which demand has grown clamorous.

Barriers to such a program are well known—building demand far in excess of materials output, depleted ranks of skilled labor and lagging training programs, rising costs of wages and materials.

Perhaps the greatest present challenge to construction labor-management co-operation is in the realm of training. Next week's Ottawa meeting can hardly be counted a success unless it results in a new approach to apprenticeship by both sides and a new, broad formula for a higher training wage, vastly increased trainee enrolment, intensified training methods and a training period shortened to months instead of years.

Joseph M. Pigott must have had a program like that in mind when he told the Canadian Construction Association in Winnipeg last month that apprentice training in the building trades now must be increased tenfold and greatly speeded if Canada's postwar building program was to materialize on anything like the needed scale.

To get the building training program unstuck will require concessions by both sides. Pre-conference expressions indicate the seriousness of the situation is fully realized; bolster hope the necessary give-and-take spirit will prevail as it did in 1921 and 1941.

"We Must All Work"

"If we can produce quick prosperity in war why can't we do it in peace?" Among questions posed but not answered by the soap box orator this is a prime favorite. It is phrased to stir discontent rather than sane economic thinking.

The answer, of course is simple. We only did it in war by taking the great bulk of our younger population, putting them into uniform, feeding them, giving them costly weapons and telling them to go out and risk their lives in battle. And we financed this great undertaking by upping taxation fivefold and borrowing as much again in loans.

As L. L. Lang well pointed out in his presidential address to the Mutual Life Assurance Co. last week, there is no magic source of wealth for reconstruction. He said:

> "There is nothing in the philosophy of the 'hand-out' that can lead to anything but impoverishment for the postwar world. We must all work. Out of effort, new wealth must be created and some of it must be saved. So plain a truth could easily be elaborated to show that investment must once more take place, capital must be accumulated, and production must move forward on a solvent and profitable basis until it provides both the wealth and the opportunity for the social welfare which is now so extravagantly projected in the plans for the postwar world.
>
> "If we have the courage, we can now act so as to maintain the confidence of the people in their own ability and enterprise, thus vindicating and improving the astonishing record which they have already accomplished in this direction. Men and women want to be creative, productive, independent, and to secure the fruits of their efforts. They want to be a part of the social organization upon which they depend, proportionately to their own native sense of personal responsibility. This is the time for those in all occupations to declare their confidence in the future of Canada and to provide the leadership which will give hope to all Canadians."

That is a simple creed, and one that all would do well to bear in mind in this period of adjustment from war to peace.

Why Hide Them?

After a long search through the fine print of the telephone directory we finally located the number of a trade association we wished to contact. We looked in vain under the name of the industry concerned and also under Canada, and Canadian. It was not listed under the word Association, either. The full title, when finally tracked, ran something like this: National Association of Canadian so-and-sos.

Presumably when a group of companies or individuals interested in the same business get together and form a trade association, they are not trying to hide something. In most cases, indeed, there is exactly the opposite reason for organizing. That being so, it would seem elementary that the name chosen should be readily located in the phone book or business directory. In other words the name of the product, industry or profession represented should come first. Usually this is not difficult to arrange.

When a man seeks special information on potatoes he looks for some organization starting with that name. He can hardly be expected to know that he should look under Society for the Culture of Solanum Tuberosum.

Stop Me If —

His mother-in-law had written to say that she was coming to live with them.

As she approached the house, she saw a large crowd. Pushing her way to the front, she blinked in consternation at the damage a midnight fire had done—and the heaps of bricks, the charred furniture.

"Dear me," she gasped, her face livid. "I didn't think he'd go as far as that."

* * *

The southerly wind had dried the land, and the crops were suffering, so the farmers of the parish waited on the minister with a request to "put up a word or two for rain."

The minister, who had a reputation for the efficacy of his supplications on previous occasions, heard the deputation gravely, and after a silence, during which he carefully scanned the horizon, replied: "A wull, but A'll bide a wee till the wind's mair in the east."

Post Scripts

Agricultural Researcher

A leakage of from $50 to $100 millions a year would be more than a shock to the biggest business enterprise, yet before the days of rust-resistant wheat that is what often happened to western agriculture.

MR. NEATBY

To men of science goes the credit for what has been accomplished in heading off this disaster. One of the leading figures in the research laboratories has been Dr. Ken W. Neatby, Winnipeg, recently appointed director of science service of the Dominion Department of Agriculture. Dr. Neatby succeeds Dr. J. M. Swaine, superannuated after 34 years with the department.

Protection of food plants from disease has been a problem of progressively greater concern to Ottawa since the end of the last war. Neatby got into it partly by coincidence. Born in Surrey, England, the son of a medical doctor, his family came to Canada in 1908 and settled in the Renown district in central Saskatchewan. For two years his father practiced medicine at Earl Grey. The Neatbys were amazed at the wide spaces of western lands and the lavishness of their production. Ken Neatby was sure he would be a Saskatchewan farmer.

His preliminary education completed, he enrolled in a diploma course in the University of Saskatchewan, figuring this would serve him best when he went back to the family homestead. While at college he got worrying about the huge losses suffered by farmers because of rust and other forms of plant disease. Unless these things could be checked, or grain varieties bred to resist them, Nature, he saw, could destroy her own bounty for the world's dinner pail.

He graduated with his B.S.A. degree in 1924 and was persuaded to continue with graduate work in cereal plant breeding in 1925-26. The next year he went on with research work in plant pathology and genetics at the University of Minnesota and got his Master's degree.

In the meantime his transformation from a farmer to a research worker was permanently fixed by an appointment as cereal specialist on the staff of the Dominion Rust Research Laboratory at Winnipeg. He continued here nine years. During this period much of the work was done which in recent years has made available to western farmers plentiful supplies of rust resistant wheat varieties for their crop sowings.

Neatby left the government service in 1935, accepting a position as professor of field crops at the University of Alberta. In 1939 the Northwest Line Elevators Association, which has headquarters in Winnipeg, organized an agricultural division. Its objective was to do something practical to assist agriculture and cereal plant breeding was picked as the field with greatest possibilities. Neatby was appointed to take charge of it and started on the job Jan. 1, 1940. This was his position at the time of his recent appointment to go to Ottawa.

For years he has been urging the need for research scientists in agriculture, a point upon which he has done some plain talking. Last June he gave an address at the University of Saskatchewan in which he expressed his views.

"If food plants are to be protected from serious losses," he said, "an adequate staff of plant scientists with proper facilities must be maintained. Plant pathologists and plant breeders must work together and administrative adjustments are essential if the best work is to be done.

"If we don't see that our plant scientists receive reasonable material rewards, promising students will enter other professional fields and most of our trained workers will accept positions elsewhere. Present salary rates are a disgrace to the country."

Dr. Neatby was elected president of the Canadian Society of Technical Agriculturists at its annual meeting in November, 1943. He took office in June, 1944.

Apart from his work, his hobby is music. He has a superb bass voice which among his friends is always in demand to round off a Sweet Adeline quartet. His musical inclinations are usually aimed at the high spots of the best composers. For several years he was a prominent and successful competitor in the annual Manitoba Musical Festival. He sang the bass solos in a portion of Bach's B Minor Mass when it was first given in Winnipeg a few years ago.

* * *

Heads Arsenal Plan

As far back as 1934, a young mechanical engineer named Malcolm Jolley got an idea into his head that there might be a war before very long.

Just barely out of McGill University, he got himself a job in what seemed to him the most logical place—the mechanical engineering section of the Ordnance Branch of National Defense headquarters at Ottawa.

For three months the army put Lieutenant Jolley to work, designing an armored car for the use of the cavalry. Then they sent him to one of the most famous war engineering and design shops in the world — Woolwich, England. For eight months he was given a general engineering course which brought him into contact with almost every piece of equipment used in the British army. Then he specialized in small arms; spent a year and a half as apprentice in the famous Enfield works studying design and weapon manufacture. In 1936 he came back to Canada, started almost at once to design mechanized transport for use in the war which was to start a year or two later.

Shortly afterwards the Bren gun contract was signed; Jolley (still a lieutenant but on leave from the army), was put into the plant to supervise operations for the government. He did such a good job that in June, 1940, when the government wanted a gun plant of its own, it got Jolley to design the plant. DMS asked him to go in as works manager. Shortly after he was named general manager; later still he became president and at the same time he moved up to colonel's rank.

The company's name, of course, was Small Arms, Ltd. It produced the first rifles in June, 1941; reached peak output in December of the same year when it turned out 35,000 rifles and 8,000 machine guns. In all, it produced just over a million small arms; chalked up records as one of the most efficient and economical war plants in this or any other country.

What happened, of course, was that this slim, modest and very retiring youngster (he is still in his thirties and only graduated from McGill in 1933) turned out to be not only a brilliant designer and mechanical genius, but as well a first-class administrator. Thus he now heads Canadian Arsenals, Ltd., the new Crown company set up last fall to co-ordinate and plan for planning of industrial preparedness and service postwar army needs.

Col. Jolley is a farmer's son, born in Foster, Eastern Townships, in the Province of Quebec. He had a flair for mathematics and design. He wanted to be a qualified designer of "moving machinery." But instead of heading for industry his instinct put him into the army.

How long the army or government service will keep him is another question. He feels he has pretty nearly finished his job—once he gets his cherished plan for postwar industrial planning into operation. In all probability his flair for industrial management will lead him out into private industry before very long. If so, he will be a man to watch.

—*Cartoon by Grassick.*

WILL HE FACE IT?

"Conservation—Canada's Richest Adventure"

Forest Renewal Vital And It Will Pay Big Dividends

Below is a digest of a recent Calgary address by Robson Black, president and general manager of the Canadian Forestry Association.

Soils and forests and waters are perishable possessions, but they are also renewable possessions. They give way to degeneration, but they double their yield by regeneration. They can dwindle or they can wax fat. Take a look at Brooks, Alberta—a dry and profitless prairie tundra that leaped to prosperity because someone turned on the water and someone turned on the trees. They're shooting 40,000 geese a year, and because they planted fish fry in Lake Newell they're taking 400,000 pounds of whitefish to market out of a former coulee.

I know a man who planted a sand dune with red pine seedlings 24 years ago. The sand dune wasn't worth a dime an acre. Now he's selling the sand dune in the form of power poles to the Hydro Commission at eight dollars apiece. Old Mother Earth, we must admit, was the inventor of compound interest. In a lake area of Quebec, two biologists took five years to prove beyond a doubt that a cheap and simple scheme of fertilizing the vegetation of lake bottoms will change a fishing water of half-pound trout to a steady crop of two and three-pounders. Talk of compound interest or the enormous fecundity of Nature once we study her book of instructions and play the game by her eternal and benevolent rules.

Men have wrested a living for just one lifetime out of whatever lies at hand, so up and down the world, men are now joining hands to make certain that in carving out one successful decade we do not wreck the foundations of a century afterward. We certainly have gone far with the wrecking process. In one eastern province the government has taken more settlers off the land in the past 40 years than they have placed on the soil in that period. Forty years of trying to make a bad farm out of a good forest, and in the end—zero. Worse than zero, they ruined the forests they squatted on, burned a king's ransom of neighboring timber, and got out of it a dilapidated mass of human floaters.

In another province they opened millions of acres of high, light soil, densely wooded, every acre of it acting as the watershed of southerly-flowing rivers. A few generations passed. The water levels fell thirty feet. The populations dwindled. The rivers, released from their natural controls of deep woodlands now gouge the valley lands and send a rampage of destruction through the town at the river's mouth where repair bills have reached $250,000 in a single season.

In Canada, we surely have done our bit of exploiting. We have slapped in the face the ordinances of Nature. We have, since Confederation, burned five times as many trees in this Dominion as have been cut by all the lumbermen who ever took axe to our forests. We have even burned up in forest fires more human lives than ever were lost to savage tomahawks or rifles.

Taking Canada as a whole, in the last fifteen years we have turned to charcoal and ashes 400 million cubic feet each year of the public-owned domain of woodlands; and the townships that passed through this fire-gutting process will sit idly by, contributing little or nothing to wages or employment for all the years it takes the youngest baby in Calgary to grow to old age.

This isn't nation building. This is subtraction.

What's needed to place Canada permanently under the sky-blue flag of conservation? The same thing that Sweden uses to accomplish one of the world's outstanding jobs in natural resource management. Sweden has two thirds of its area under forests and forest industry is Sweden's chief pursuit. But the one thing that Sweden has achieved is a state of mind—a determination that no man, no group of men, shall do anything to the soil, or the forests, or the waters that will weaken the advantages of the men and families who will inhabit the land in 1970 or 2010.

What sort of gospel is that for the go-getter? It is the only gospel that will maintain either the going or the getting for the youngsters now romping on the school playground, and for their long lines of succession beyond our vision. Let's listen to John Ruskin's way of saying it: "God has given us the earth for our life. It is a great entail. It belongs as much to those who come after us as to us, and we have no right by anything we do or neglect to do to involve them in unnecessary penalties or to deprive them of benefits which are theirs by right." But there's a catch to that Swedish plan I spoke of. It doesn't depend on a command of the central government, with threats. It is worked out by county committees of citizens, farmers and villagers and woods owners who sit about a common table. These ordinary men are the jealous guardians of the county interest and the national interest and it would mean ostracism for any man to insist upon his personal profit where the public good stands in question. That's the state of mind I referred to.

Canada today believes that her great frontiers lie yet ahead. To speak of closed frontiers is to admit an atrophied imagination and a lost sense of daring; and such things do not belong to our people. They're looking toward the new frontiers opened to them by soil conservation, and water control, and forest management; and all geographical boundaries are thrown back by the liberating power of this new outlook.

What Others Are Saying

Editorial of the Week

Why This Army?

Windsor Star

We are informed that henceforth we shall be employing 100,000 permanent civil servants, instead of the pre-war 40,000.

True, during the war, the staff grew to an unprecedented 150,000. That is understandable. The business of government during such an emergency calls for tremendous additions to staff. Probably strict adherence to principles of genuine economy could have kept the numbers much lower, but there was not time for the necessary close study. There was a job to be done, and we could not count the cost.

The postwar era undoubtedly demands a larger civil service establishment. The program of social legislation will require new boards, with large staffs. But surely even these cannot justify an army more than double its former size.

Time after time, the fear has been expressed that many of the temporaries taken on for the emergency would entrench themselves and become permanent. There apparently was reason for this concern. The idea of a top-heavy establishment has insinuated itself into the official mind, and a civil service of 100,000 is being accepted with a complacency that is alarming.

Other People's Views

OTTAWA'S OFFER TO THE PROVINCES at the Dominion-Provincial Conference was too far up in the clouds, maintains the **Vancouver Sun**. "It assumed too much without proof, it implied that Ottawa could exercise occult powers on finance and unemployment, if it only was given the chance; and the brain-trusters sought deliberately to complicate the situation with the hope that the provinces would accept something they could not comprehend.

"Ottawa will only succeed at the April meeting if the federal authorities come down to earth, state frankly what they mean, what their aspirations are and on what facts and figures they base their estimates. They will have to abandon their idea that a grandiose New Deal—or a new Charter for Confederation—can be swallowed at one gulp."

IF YOU WANT PEACE you must be prepared for war, argues the **Montreal Star**, which approves joint defense preparations by the U. S. and Canada. Commenting on the statement that the main purpose of the Board is to provide security of the Western Hemisphere it states: "This is much farther in the way of commitments than we have ever gone before as a nation, and to fulfill them we must not only pursue a military course in close integration with our friends, but also contribute to the advancement of military knowledge by whatever independent action we can take."

HIGHER WAGES MEAN HIGHER PRICES, states the **Montreal Gazette**, which adds: "The inevitable rise in prices of what labor buys will mean that the rises in wage rates, instead of increasing real earnings, will leave the net worth of take-home pay little better (if at all) than before. Another potential effect is that higher prices will reduce market volume of the products affected, and curtail steady employment for the labor making them. While the workers may be making more per hour, they will be earning less on an average per week or per year, and what they receive will be worth less."

HIGH TRIBUTE REGARDING PRICE CONTROL is paid by the **Ottawa Journal** (Prog. Con.): "Canada's happy position with respect to prices is no accident, is not something to be taken for granted, and certainly did not come without effort. Our position has been gained because (1) we had a government courageous enough to take the advice of able advisers and (2) wise and lucky enough to secure a man of the calibre of Donald Gordon to hold down prices. It was the Government which took responsibility for the policy but it was Donald Gordon who administered the policy successfully, whose zeal and vigorous devotion placed and kept Canada in a position where today she is the envy of the world."

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Feb. 16, 1946

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IN YOUR OPINION

Retiring Age for Senators?

The Question: Would you favor a definite retiring age for senators if so why, when and how?

E. J. Chambers, K.C.

Of Hannah, Nolan, Chambers & Might, Calgary.

I am in favor of a definite retiring age of between 65 and 70 for senators. In my view, the more or less detached judgment of men of mature age is of value to the country and problems affecting it as a whole. At the same time I believe persons should not be appointed senators who are over a certain age, so they can, following appointment, be available as senators for a reasonable period before reaching retiring age and then they be given retiring allowance based on their years of service.

* * *

R. McGregor Dawson

Professor of Political Science, University of Toronto.

If a car needs a new carburetor, new brakes, new transmission and new spark plugs, why worry unduly about the tires?

* * *

J. A. Mann, K.C.

Of Mann, Lafleur & Brown, Montreal.

I favor retiring senators at the age of 75 with a pension of 50% sessional indemnity not exceeding two thousand dollars annually. The reason being that they are called upon to enact federal legislation which frequently the supreme court is required to interpret and members of that bench are compelled to retire at that age. Consequently the age of law makers in my mind should not exceed the age of the judicial interpreters of the same laws.

* * *

Richard J. Needham

Associate Editor, Calgary Herald.

I do not favor a definite retiring age for senators or anybody else. A man should retire when he is obsolete. Some people reach this stage at 20; others have not reached it at 120. In political life, a man may broadly be expected to improve as he grows older. Hence, it seems unwise to remove him at 65 or 70, thereby making room for some callow upstart of 55 or 60.

This business of retiring senators is, of course, tied up with the present-day worship of youth, and the popular supposition that the so-called old people are better equipped for all forms of work, save only the physical labor which is rapidly being abolished by modern technology.

Instead of retiring people from public life at the age of 65 or 70, we should probably bar them from public life until they have reached that age. May I recommend to you and your readers that they study a little book called "Plea for an Age Movement," by Ralph Barton Perry? It answers this question and others.

* * *

G. E. Nixon

Member for Algoma West in House of Commons.

I am somewhat of the opinion that a definite retiring age for senators would be in the best interest of responsible government as, fortunately or unfortunately, senators like everyone else do get old and the responsibilities and contribution expected of them become all too heavy.

* * *

L. D. Nesbitt

Publicity superintendent, Alberta Wheat Pool, Calgary.

Members of the Canadian Senate should, in my opinion, be retired at 75 years of age at the latest. The Canadian senate should not be a "home for the aged." A continuous stream of new members would add vigor and vision to the Senate. The sooner this is done the better because there is a lingering doubt in the minds of many Canadians, and particularly the younger ones, as to the value of the Senate in Canada's political setup.

Wm. J. Raymond

President and managing editor, Empire, Prince Rupert, B.C.

I favor a definite retiring age for senators fixed at 70 years because I consider it questionable that after 70 the country receives full value for public outlay where each incumbent is directly concerned. I suggest a moderate bonus with retirement effective within six months and cancellation of privileges attached to office. I suggest that in private life senators be free to serve in an advisory capacity if they feel so disposed in view of their experience and knowledge but that such be utterly without official or political significance.

* * *

W. Norman Smith

Editor, Western Farm Leader, Calgary.

The method by which a second chamber is constituted and the nature of its powers are, in my humble judgment, the essential matters. In both respects our Canadian Senate fails to meet the requirements of a modern democracy. Its power of delay should not exceed those of the House of Lords. In answer to the questions regarding retirement age, I would suggest a 10-year term for senators, renewable by election or appointment. If this be precluded, then there should be automatic retirement at 70. Canada would thus be able to draw upon the experience of elder statesmen, while changing political thought would be somewhat more accurately reflected in the senate than it is today.

* * *

Frank T. Stanfield

President, Stanfield's Ltd., and M.P. for Colchester-Hants, Truro, N.S.

I would not be in favor of retiring senators appointed under the present system, but in my own opinion they should be elected for a period of from six to eight years similar to U. S. A.

* * *

L. W. Simms

President and general manager T. S. Simms & Co., Saint John.

As contrary to the intention of Confederation the real retirement of a senator is on his appointment as a partisan reward, and as mental alertness and mature judgment has little relationship to length of years, the important issue is to so reconstitute the method of appointment and an investiture of real responsibility so that the consequent demands made upon each senator will make senility apparent if and when it occurs.

* * *

Hon. E. D. Smith

Senator and chairman E. D. Smith & Sons Ltd., Winona, Ont.

Appointees to the Senate should be paid fully as much as members of the Commons, but should have more work to do in Senate than at present. I think senators should be retired at 75 years of age, but with a 50% life annuity and maintenance for life of the honorary title of senator.

* * *

George Spence

Administrator, Prairie Farm Rehabilitation Act, Regina.

I recognize that the Senate performs a useful service as a second chamber in parliamentary government. This has been amply demonstrated on different occasions on matters that have come before parliament. I think, too, that the Senate would be still more effective as a second chamber if senators were definitely retired without further compensation on reaching the age of 75. This would automatically result in a younger and more virile parliamentary body thus increasing its influence and usefulness to the nation.

* * *

G. S. Thorvaldson

President, Income Taxpayers' Association, Winnipeg.

Senators should retire at the age of 75. It is true that in some cases persons remain mentally alert after this age, but this is not true in general. Agitation for abolition of the Senate will be averted only by reforming it. This reform is the first essential. The Senate should occupy a place of great importance in our scheme of Government. It fails to do so because of failure to maintain a 100% active and robust membership.

* * *

G. H. Wood

President, G. H. Wood & Company, Toronto.

As it is impossible to make fish of one and meat of the other, I would suggest that senators be retired at the age of three score years and ten. Mental alertness and ability usually slip after that age. Canada being a young country has continually growing need to be governed and guided by young men whose ideas would perhaps be more modern and in line with the times. Personally, I would suggest that every man occupying a responsible position whether it be in business or political capacity should be retired at the aforementioned age.

* * *

R. L. Whitman

Secretary, Chamber of Commerce, London, Ont.

I strongly favor a change in the method of appointing members of the senate for life as a reward for party affiliation. I suggest either an age limit or appointment for a 10-year term. Under the present system, if any party remains in office for an extended period the senate becomes one-sided and unrepresentative of Canadian life. I recommend that senators be named by recognized provincial legislators so that all parties and all classes would secure representation in the Upper House.

JARDINE McKERLIE

has been appointed general sales manager of the John Inglis Co's general engineering division, after nearly six years' service in various government wartime departments.

BUSINESS THIS WEEK

	JAN.	DEC.	NOV.	OCT.	Year Ago
THE FINANCIAL POST PRODUCTION INDEX (1)	....	193.0	200.3	209.5	242.0
GOVERNMENT FINANCE (millions of $)					
Dom. war expend.	....	....	137.6	170.1	80.8
Dom. total revenue	....	....	174.1	246.3	155.2
Dom. total expend.	....	....	316.0	301.1	170.3
MERCHANDISING					
Dept. store sales index no. (1)	....	279.3	258.9	220.9	253.9
Retail sales index no.	....	....	221.3	236.8	170.8
▪Wholesale sales index no.	....	195.6	221.3	236.8	170.8
Country store (% change pr. yr.)	....	+6.2	+9.3	+11.2	....
FINANCE					
Dividend payment index (5)	....	....	140.0	140.0	129.9
Bank debits (1)	....	....	282.5	191.5	220.4
Bank deposits index (1)	....	....	239.2	226.1	212.8
Money supply (millions $)	....	....	6,261	6,726	6,213
NEWSPRINT % OF CAPACITY					
Production ratio	....	....	82.7	82.8	70.0
Shipment ratio	....	....	82.3	82.0	82.0
RAILWAY FREIGHT LOADINGS					
Tons (D.B.S. index)	....	167.4	156.2	140.0	183.3
Cars (D.B.S. index)	....	143.2	138.2	129.1	143.6
COST OF LIVING					
▪D.B.S. index	119.1	120.1	119.9	119.7	118.6
EMPLOYMENT INDEX, D.B.S.					
▪All industries	....	172.9	171.2	168.7	185.7
▪Manufacturing	....	184.0	186.3	188.4	220.1
▪Payrolls (June 1/41=100) (2)	....	139.3	139.2	137.8	151.0

RAILWAYS—(000's omitted)	1946-45	1945-44	1946-45 Jan. 1 to date	1945-44 Jan. 1 to date	% Change
▪Carloadings (week Jan. 26)	66.5	65.8	254.6	247.2	+2.9
▪C.P.R. gross rev. (Jan. 28)	8,317	9,225	23,309	24,090	—3.3
C.N.R. gross rev. (Oct.)	36,631	37,496	363,951	365,644	—0.5
C.N.R. net rev. (Oct.)	5,426	5,172	67,499	66,383	+1.4
C.P.R. gross revenue (Nov.)	25,764	27,165	291,090	293,279	—0.7
C.P.R. net revenue (Nov.)	3,324	6,030	32,837	38,410	—4.5
IRON AND STEEL (000's omitted) (Dec)					
▪Pig iron production (tons)	135.2	139.2	1,778.0	1,852.6	—3.8
▪Steel production (tons)	219.3	243.5	2,881.3	3,024.4	—4.8
CONSTRUCTION (000's omitted)					
Contracts awarded (Dec.) $	25,787	12,730	409,033	291,962	+40.1
Building permits (Dec.) $	13,541	7,902	195,143	128,728	+52.0
▪Cement prod., bbls. (Nov.)	694.0	559.4	8,182.4	7,000.9	+16.9
AGRICULTURE (000's omitted)					
▪Flour prod., bbls. (Dec.)	2,168.8	2,029.5	25,059.2	24,292.1	+3.3
Flour exp., bbls. (Dec.)	965	1,242	13,731	13,939	—1.5
Wheat exp., bush. (Dec.)	38,099	27,224	329,673	291,680	+13.2
Cattle sales (Dec.) (4)	202.3	165.0	2,017.3	1,507.6	+33.8
Hog sales (Dec.) (4)	464.2	730.0	5,862.1	8,863.2	—33.9
SEA FISHERIES (000's omitted)					
Catch, cwts. (Nov.)	967	836	10,776	7,914	+36.1
Landed value (Nov.) $	2,349	1,712	45,699	27,186	+69.0
NEWSPRINT (000's omitted)					
Production, tons (Dec.)	277	245	3,259	2,992	+5.5
Exports, tons (Dec.)	263	231	3,235	3,001	+7.7
MINING AND OILS (000's omitted)					
▪Coal prod., tons (Nov.)	1,768.1	1,638.6	14,906.1	15,493.4	—3.8
Gold rec. (fine oz.) (Oct.)	223	223	2,,127	2,,4,21	—12.1
▪Petroleum prod. (brl.) (Nov.)	658.7	855.8	7,902.3	9,220.3	—14.3
ELECTRICAL POWER OUTPUT (000,000 omitted) (Dec.)					
Total monthly kw.h.	3,289	3,356	40,101	40,466	—0.1
FOREIGN TRADE (thousands of $)					
Imports (Dec.)	121.2	127.2	1,585.8	1.758.9	—9.9
Exports (Dec.)	234,826	266,879	3,218,330	3,439,953	—6.4
FINANCE (millions $)					
Bank debits (Dec.)	6,085	5,063	68,388	60,677	—12.6
Bond sales (Dec.)	196.3	145.8	8,125.1	7,624.0	+6.6
Life insurance sales (Dec.)	65,536	47,618	689,449	614,117	+12.2
OTHER INDUSTRIAL FACTORS (000,000's omitted)					
Shoe prod., pr. (Nov.)	3.7	3.1	35.9	32.7	+9.8
Cotton consump., lb. (Dec.)	12.1	12.7	143.1	145.3	—1.5
Cigarette cons. (no.) (Dec.)	1,166	1,032	13,807	11,667	+19.2

(1) Base period 1935-39=100.
(2) All industries.
▪New items for week.
(4) Total at yards and plants.
(5) Nesbitt, Thomson est.

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Old World's Demands for Grain May Curtail Canadian Livestock

From Our Own Correspondent

WINNIPEG — Probably less surprise was occasioned in Winnipeg than anywhere else by recent disclosures that the world faces an acute wheat shortage.

There has been insistent demand for Canadian wheat ever since the end of the war in Europe released additional shipping for its transport overseas. The supply in shipping position has not been equal to the demand and the Canadian Wheat Board has been constantly rationing supplies among eager buyers.

The Wheat Board, it is generally understood, had been anticipating that the end of the war would bring to it serious problems in disposing of wheat and the task of building something to replace the selling machinery for Canada's major crop, which had largely disappeared during the war and especially since the Winnipeg market had been closed in September, 1943. Several recent appointments to its staff had been made, it was believed, with a view to solving the sales problem.

But instead, the problem of the Wheat Board has been to preserve goodwill and an appearance of fairness among countries which have been trying to buy a great deal more wheat than this country could furnish. Accumulated stock of wheat, which a few years ago had left Canada with an accumulated year-end carryover of 600 million bushels and had required construction of storage for several hundred million bushels at terminal elevators, at country elevators and on the farm, have been melting away like snowdrifts at the advent of spring.

The only reason that this country is not already down to empty bins is that freight space has not been sufficient to move stocks more rapidly. It has been evident for some time that before another crop is harvested, Canada will be out of wheat for export.

Market Sounded Warning

The market has forecast the situation to an important extent. There was a sharp advance in wheat prices in the late summer and early fall of 1943. That led to the closing of the Winnipeg market, just before a level of $1.25 a bushel had been reached. This step was taken for the protection of the Dominion Treasury, which otherwise would have had to pay much more for the wheat it was supplying under mutual aid, to Britain and to other Allies.

The U. S. market, however, went right on rising and Canadian prices for export offerings, which were based on that market with a deduction of 42 cents a bushel to represent the duty which theoretically would have been payable on imports by that country, went almost steadily up until a level of $1.55 was reached just at V-E Day. That price became a ceiling until the government policy began to finance most export by means of credits.

The comparative cheapness of Canadian wheat has not prevented maximum possible shipments of wheat from the United States, where the domestic ceiling, approximately equal to $2 per bushel in Canadian funds, applies equally to export sales. That country will probably have exported more wheat than Canada by the end of the crop year, at 40 to 50 cents a bushel higher than Canadian prices.

Similarly rye, the one grain to which no price ceiling applies, has been eagerly bought by countries abroad, at prices much higher than the ceiling price for wheat. The fact that rye prices have gone up to $2.50 a bushel is an indication of what might have happened to wheat prices, except for Canadian forbearance in applying an export ceiling. Neither Australia nor Argentina has followed the Canadian example, and wheat prices asked by those countries are the approximate equivalent of American prices, when the cost of freight is considered.

Old World Crop Poor

The demand for wheat at present results not only from the war, but also from unfavorable weather during 1945. The United States was the only country with a crop production exceeding normal expectations.

The European crop, seeded while the war was still in progress, could not, in any event, have been large, but a drought which afflicted the whole Mediterranean Basin made it much smaller than had been hoped for. Results were poor in all countries of the southern hemisphere, and also in India. Both lack of transportation, and political conditions still upset prevent the normal movement from surplus to deficient areas in Europe, and market supplies have been further reduced by hoarding on the part of peasants.

Until a year ago some experts were inclined to calculate that while all other foods would be scarce, there would still be a satisfactory supply of wheat due to the accumulation of reserves in North America. Such calculations have been comparatively upset, and not only by small crops in many countries.

The immediate Canadian response to demand for increased wheat supplies will of necessity be somewhat limited. But steps have been taken to divert to milling and to export supplies of No. 4 wheat, which until now have been sold for feed use in Canada, its use being encouraged by a drawback of 25 cents a bushel to buyers who could prove its use for feed.

Efforts are being made to halt the use of wheat for livestock feeding. Those may be hampered both by a shortage of corn, and by existence of an extremely large poultry population, which agricultural authorities, fearing both overproduction of eggs and a shortage of feed, have been vainly trying to get reduced.

See U. S. Vindicated

The present situation seems to justify the wheat policy of the United States where it has differed from Canada. This country has tried to restrain wheat acreage, while the American Government has tried to maintain or increase it. It was thought for a time that the Canadian ceiling price might be a means of building up goodwill abroad. The Americans seem as likely to secure goodwill by having wheat available, even at higher prices, while insufficiency of the cheaper Canadian supplies may be a source of dissatisfaction.

Western opinion was adverse when, last December, the Dominion Government recommended that wheat acreage in 1946 be held down to 23,500,000 acres. It was generally believed that farmers would seed considerably more, principally because the summer-fallowed land, ready for wheat, was believed to be some three million acres greater than in 1945. The Northwest Line Elevators Association has now telegraphed the Prime Minister, urging reconsideration of the Government's agricultural program with greater emphasis on wheat production, to meet a world emergency.

More wheat will doubtless mean less livestock. Some opinion is that until the present urgency to provide food to avoid starvation passes, it will be necessary to provide it in the form of cereals, and that meat production will have to be cut down until improving conditions make a higher dietary standard possible.

1.5 Million Bushels Oats May Be Exported to U. S.

From Our Own Correspondent

WINNIPEG—The Canadian Wheat Board announces that permits will be issued, subject to payment of prevailing equaliization fees, for export of 1.5 million bushels of oats. No restriction is imposed as to destination, and the assumption is that the grain would go to the United States.

In recent months applications for permits to export oats have been required to specify destination, and by this means, exports have been restricted to overseas countries. An interesting question is thus raised as to whether oats should at this time be exported to the United States.

At the moment, due to large crops harvested in 1945, there is no actual shortage of feed grains in the United States, although apprehension is beginning to be felt that such a shortage may develop. There is, nevertheless, a market for all the Canadian oats which can be shipped south, because under the ceiling price of 51½ cents per bushel, they are much cheaper than American oats.

Equalization fees for permits to export oats are based on the difference between the Canadian price level and fluctuating prices as recorded on the Chicago market. Not infrequently the Canadian Wheat Board has held the price of these permits just above the level which would permit business to be done with the United States, thus making effective, without actually announcing it, a temporary embargo on shipments across the line.

Europe Demand to Grow

At times the object of such action has been to conserve available supplies of oats for eastern Canada, and at other times, to ensure the filling of orders from overseas. Both the United Kingdom and European countries have shown a strong inclination to buy oats, but actual shipments have been limited by the assignment of shipping space to wheat, a heavier and less bulky commodity, and consequently one more economical to transport. European demand is expected to grow in strength, and use of oats for human food, instead of for livestock feed, is increasingly contemplated.

There is a peculiar difference in the Canadian price policy as applied to wheat and to oats. An export ceiling has been made effective on wheat, at $1.55, basis lake head terminals. That makes our wheat approximately 45 cents a bushel, in Canadian funds, cheaper than wheat which Great Britain and other countries are currently buying from the United States. Naturally they prefer the Canadian product to the full extent that they can get it.

No corresponding forbearance is exercised in connection with oats, the export price of which is brought fully up to the American level by means of an equalization fee. The preference of overseas buyers for Canadian oats is not based on price, but rather on quality, since the Canadian product is heavier, and better suited to milling than that of the United States. Moreover, the grain trade of the United States is not geared to export of oats, and considerable difficulty is experienced in trying to get together shipping quantities of American oats, especially when elevator and shipping facilities on export routes are taken up with wheat.

Weather is Bottleneck

It is not clear just what quantities of oats western Canada may have available for export. Earlier in the season farmers were compelled, by rigorous quotas on deliveries, to hold back oats and give the preference to wheat deliveries. Wheat supplies have now been pretty well shipped out from many stations, and farmers are free to make larger deliveries of oats. Winter conditions, including bad roads, however, now tend to restrict deliveries.

On account of extensive liquidation of hogs on western farms, there are probably more oats to come out than would have been calculated at the beginning of the season, although because of crop failures there are extensive areas where oats will have to be shipped in. But a farmer who has held feed grains on his farm until now, and has them safely in storage, is under some influence to hold on to them until he has some idea of how the crop of 1946 is likely to turn out, and is able to determine whether there is any danger of being short of feed next winter.

KARL TEWES

Whose appointment as sales engineer has been announced by Sorel Industries Limited. Mr. Tewes came to Canada in 1930 with degrees of electrical and mechanical engineering from Darnstadt University. After various engineering activities, he joined Marine Industries Ltd. in 1939 and was responsible for design and installation of the electrical system of the gun plant which became later Sorel Industries Ltd. In 1944 Mr. Tewes became the assistant plant engineer. He also identified himself with research work in the electro-chemical and metallurgical field.

WESTERN AGENCY

I am opening a Vancouver sales office, May 1, and wish to contact manufacturers interested in marketing products in B. C. and Prairie Provinces.

References on Request.

Box 122, The Financial Post, Toronto

THE STERLING TRUSTS CORPORATION

Balance Sheet, December 31st, 1945

ASSETS

CAPITAL ACCOUNT:		
Office Premises, Safe Deposit Vault	$ 85,158.81	
Real Estate held for sale	10,280.36	
Mortgages and Agreements for Sale	232,822.54	
Stocks and Bonds	569,637.90	
Loans on Stocks and Bonds	7,880.02	
Advance to Estates, Trusts and Agencies	35,702.21	
Accounts Receivable	9,812.00	
Cash on Hand and in Banks	60,172.46	
	$ 1,011,466.30	
GUARANTEED ACCOUNT:		
Mortgages and Agreements for Sale	$ 2,253,928.52	
Government and Municipal Bonds	849,161.06	
Cash on Hand and in Banks	286,394.74	
	$ 3,389,484.32	
ESTATES, TRUSTS AND AGENCIES:		
Investments and Assets held	$ 6,170,983.67	
Cash on Hand and in Banks	668,894.46	
	$ 6,839,878.13	
	$11,240,828.75	

LIABILITIES

CAPITAL ACCOUNT:	
Capital Paid Up	$ 808,000.00
Reserve Fund	150,000.00
Reserve for Taxes	8,900.00
Accounts Payable	2,208.36
Dividend Payable Jan. 2, 19[illegible]	16,156.54
Profit and Loss Balance	26,201.40
	$ 1,011,466.30
GUARANTEED ACCOUNT:	
Guaranteed Trust Certificates	$ 2,362,804.84
Deposits	1,026,679.48
	$ 3,389,484.32
ESTATES, TRUSTS AND AGENCIES	$ 6,839,878.13
	$11,240,828.75

All Stocks and Bonds shown at less than Market.

PROFIT AND LOSS ACCOUNT

Balance brought forward from 1944	$ 28,429.71
Net Profit for year	70,173.76
Transfer from Investment Reserves	30,832.59
	$ 129,436.06
Appropriated as follows:	
Taxes (estimated)	$ 18,589.75
Depreciation	2,333.11
Dividends	32,311.80
Transfer to Reserve Fund	50,000.00
Balance carried forward	26,201.40
	$ 129,436.06

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National Trust Company makes the administration of estates in its charge a full-time job. It is always available and has the organization for quick, decisive action in every phase of estate administration, whether it be taxation, investments or any of the hundred and one problems with which an executor has to deal.

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Trade the hours spent shovelling coal, juggling dampers and sifting ashes, for enjoyable ones among the family with Automatic Heating . . . regulated by Minneapolis-Honeywell temperature controls.

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This is one in a series of advertisements published on behalf of the Automatic Heating Industry by Minneapolis-Honeywell Regulator Company Limited.

Sixty-Fourth Annual Report

TORONTO GENERAL TRUSTS

1945 — A YEAR OF MARKED PROGRESS

$12,000,000 increase in Assets under administration

now total $277,541,000

PRESIDENT

The President, Mr. Charles McCrea, K.C., in moving the adoption of the Report, said in part:

The General Manager's report just presented is an admirable review of the affairs of your Corporation during the past year. I think you will agree it reveals a financial condition and a record of progress and development with which, I am sure, we can all be highly pleased.

CANADA'S POST-WAR OBLIGATIONS

We have foregathered for the past five Annual Meetings under the clouds of war facing the problems presented by war and by the needs of war. Today, we meet under happier circumstances; but we face the problems arising out of war. Newspaper headlines speak only too clearly of their variety and extent. We have emerged from the struggle with our heritage unimpaired and our liberty and freedom preserved. More than this, the contribution we have made to the common victory has brought us prestige and renown and a new place among the nations. We have become sensitive to happenings in the international sphere; they inevitably affect us and we must play a part worthy of the position we have won.

During the long struggle we experienced a prosperous war economy, the material benefits of which have been widely distributed among all classes of our people. War prosperity has enabled the Canadian people to amass great savings. It is estimated that by the end of 1945, total individual savings amounted approximately to ten billion, seven hundred million dollars. These savings are made up of currency, bank deposits, refundable taxes and Government securities, of which seven billion, seven hundred million dollars have been accumulated since 1938 and of this total no less than six billion, four hundred and fifty million dollars are Dominion Government Bonds. These estimates do not include savings in the form of insurance, pensions, homes or corporation securities. Our prosperity has been accompanied by added burdens. Our funded debt, which stood at three billion, three hundred and eighty-six millions on March 31st, 1939, rose to thirteen billion, nine hundred and eighty-four million dollars as of March 31st, 1945. If we add to that debt the last Victory Loan of two billion we have in round figures a debt of sixteen billions at the end of 1945. Some economists are of the view that before Canada gets back to normal peacetime budgeting our debt will probably rise to twenty billion dollars.

EXPORT TRADE ESSENTIAL

The war has brought important changes in our economic outlook. In a survey made by the Department of Reconstruction on the location and effects of wartime industrial expansion in Canada from 1939 to 1944, some significant statements appear, among them the following:—

"The most striking result of the war in Canada", the survey states, "is to be found in the fact that within six years the entire economic and social picture has changed, owing to the rapid expansion of productive capacity in manufacturing industry. Today, Canada stands ready and equipped to produce more goods than at any other previous period. The expansion has been on a scale that far exceeds the possibilities of domestic consumption and markets abroad are necessary to keep Canadian industrial facilities operating at levels approaching their new capacity. The degree to which employment is maintained in this sector of the economy will become dependent to an increasing extent (as the backlog of domestic demand for producer and consumer goods is met and supplied) on a relatively high level of export trade in manufactured goods."

Our export possibilities deserve serious consideration in a world where rival exporters also seek enlargement of trade and where in Canada three out of eight workers depend on export.

EXPORT LOANS

Canada's export business, as we all know, rose from a billion dollars prior to the War to as high as three and a half billion in 1944. Export business fell off in 1945 and has dropped rapidly, our estimate for 1946 being one billion, eight hundred million dollars. To reach this export total in 1946 we will loan to our former international customers, now financially embarrassed by war, up to two billion dollars, of which it is estimated seven hundred and fifty millions will be loaned to non-sterling areas and one billion, two hundred and fifty millions to the sterling area countries including Great Britain. These monies will be used over the next two years to purchase Canadian export goods and it is to be noted that part of these monies, possibly half, will be required in 1946 to bring our exports up to the estimate of one billion, eight hundred millions. In granting these loans Canada has in mind that it will help in the reconstruction of our allied friends, that it will benefit our export trade immediately, that it will further our long-term trade with these countries and it will help maintain peace by making European and Asiatic countries economically healthy. The Government is lending these monies to foreign Governments at a rate based on the cost to the Canadian Government of borrowing the money.

OUTLOOK FOR CANADIAN BUSINESS

It is the general view of economists and business men that subject to the irritations and delays incidental to the change-over from War to peace, Canada for the next three years or more will enjoy a period of reasonable prosperity. After that in the sphere of external trade, once our loans to our customers have been exhausted, we must look to the treaty makers and trade arrangers to create a broader and freer trading world and to our skill and planning to develop wider markets for our goods. So far as our domestic trade is concerned, after the refilling of Canadian shelves for home consumption, we may look with reasonable assurance to such sources of business expansion within Canada as the development of our tourist traffic, the bringing of foreign capital and the expansion of our mining industry.

MINING INDUSTRY WILL AID RETURN TO PEACE-TIME ECONOMY

Canada's metals mean much in her economy. New and important uses have been developed for them and under the spur of war our mining equipment has been geared to higher production. The mining industry now stands ready to serve great demands.

Our gold areas, stretching across Canada, take on greatly increased significance. Gold production decreased during the war on account of labour and supplies but now bids fair to gather momentum quickly and to aid our return to a peacetime economy by a large and increasing activity. The gold industry is non-competitive. There is a ready need and market for gold and an increasing stream of wealth from these mines will put life and vigour into commerce, transportation, industrial activity, farms and the labour world.

From the inception of your Corporation's activities in 1882, we have matched with confidence into Canada's great future. Today our continued outlook is faith in this vast Dominion of ours, confident that it shall grow in strength and greatness and make for the Canadian people a country second to none. Your Corporation through its Head Office and ten Branches, reaching from Montreal to Vancouver, is admirably equipped to meet any increased demands that may be made upon it in the years ahead. It will continue to play its part in the development of Canada as it has done in the past.

GENERAL MANAGER

The General Manager, Mr. W. G. Watson, said in part:—

The Sixty-Fourth Annual Report of the Corporation for the year ended December 31st, 1945, is one which I am sure will be satisfactory to the Shareholders, reflecting as it does increased earnings and marked expansion in Assets under Administration.

INCREASE IN PROFITS

The net profits for the year, after providing for all expenses:—management, Directors' and Auditors' fees, rents, advertising and other charges together with ascertained and anticipated losses—are shown at $472,498, an increase over those of 1944 of $28,305. From these profits, your Directors appropriated $100,000 for Federal and Business taxes; $50,000 for Office Premises' depreciation; $25,000 for our Staff Retirement Annuity Plan requirements for the current year; $180,000 to cover four quarterly dividends at the rate of 5% per annum and a bonus of 1% on the Capital stock of the Corporation, which left a surplus for the year of $117,498. To this was added $433,501 carried forward from the preceding year, making a total of $550,999 which was dealt with by your Directors as follows:—$150,000 disbursed to cover the balance required under our Staff Retirement Annuity Plan for past services, and $250,000 transferred to the Capital Reserve Fund, leaving a balance forward at credit of Profit and Loss account of $150,999.

INCREASE IN RESERVE

Your Directors felt that rather than extend the payment for past services under our Staff Retirement Annuity Plan by way of annual instalments of $25,000 over a further period of six years as originally planned, it would be advisable to make payment in full now so that in the future our obligations from year to year would be limited to the current year's charges necessary to match the contributions of the eligible members of the staff, as provided for in the Plan. It was also thought advisable at this time to round out our Reserve Fund as shown in the Balance Sheet to $2 million by the transfer of $250,000 from the Profit and Loss account.

INCREASE IN ASSETS UNDER ADMINISTRATION

The Balance Sheet for 1945 shows total Assets under Administration for all accounts of $277,541,445, or an increase of $12,131,316 over those of 1944. This increase, as you will expect, is largely due to the marked progress we have made in our Estates, Trusts and Agencies Section, which now stands at $253,124,603 as against $241,627,859 last year, or an increase of $11,496,744.

Our Savings on deposit at $9,484,222, notwithstanding withdrawals by our depositors during the year for the Eighth and Ninth Victory Loans of $3,431,665 also show a substantial increase of $1,542,143, while funds held under Guaranteed Investment Certificates at $9,660,866 are down $761,332.

STRONG LIQUID POSITION

Our liquid position is exceptionally strong and in relation to our Savings on Deposit, highly satisfactory at 151%.

MORTGAGE INVESTMENTS

Our mortgages have shown a sharp reduction in volume, as you will observe, due to heavy re-payments and the difficulty in obtaining new mortgages suitable for Trust accounts. You will be interested to know that the arrears of interest as at December 31st last, on city mortgages held for Capital and Guaranteed accounts was only .26 of 1% on the principal amount outstanding.

As to our farm mortgages in Western Canada, the re-payments were over 22% of the principal owing on January 1st, 1945. At the 30th of September last, before the new interest for the year was charged, over 80% of the borrowers had paid their interest in full on these mortgages. Highly satisfactory income returns were again realized during 1945 on farm properties in the West held for sale by the Corporation.

SALES OF REAL ESTATE

During the year 1945 the Corporation for all accounts, including those held for Estates and Agencies, closed no less than 714 sales of farm and city properties for a total of $4,444,256, in connection with which the cash or down payments amounted to $2,570,693, or 58%, which compared very favourably with our sales reported last year of 992 parcels for $4,774,911 when account is taken of the fact that the number of units held for sale in 1945 was substantially below that of 1944.

The demand for good and fair farms in Western Canada still persists with attractive down payments; while the inquiries for city properties of almost every class, except perhaps apartment houses, and this because of the ceiling on rents, are showing an increase.

SMALL AND LARGE ESTATES

During 1945 the volume of Estates, Trusts and Agencies, under the management of the Corporation increased by $11,496,744. This increase is a net increase and represents the difference between the new business placed under our care and the estates, trusts and agencies distributed in part or in whole during the year under the terms of wills, trust deeds, etc. These distributions of capital run into many millions each year. The smallest estate received was less than $5,000; the largest had a value of several millions.

TAXATION OF ESTATES

In the realm of estate taxes there has been an encouraging improvement in the last year.

Last January, Canada and the United States ratified a reciprocal Tax Convention to eliminate or reduce Dominion and United States Federal Succession Duties on the same assets. The Province of Ontario has now concluded similar agreements with Quebec and Nova Scotia.

The Dominion Government implemented almost in its entirety the Ives Commission Report. This establishes a uniform principle of taxation for annuities and periodic payments whether received through wills, trusts, life insurance or Dominion Government annuities. Only the income portions of any such payments are now subject to income tax. This is of special importance to estates and trusts where the income may not be sufficient to provide adequate and regular payments for dependents without some recourse to the capital. This legislation also affected favorably the position of employee pension plans and trusts, and considerable relief was given to the tax on the distribution of the accumulated surplus of a family or private corporation.

The Dominion Government has also recognized the hardship that may be caused by taxing the same assets twice within a short period of time due to the early death of the first inheritor, by an amendment to the Succession Duty Act providing for regressive reduction of from 50 to 10% of the second tax if it occurs within a period of from one to five years of the first passing. This is a constructive enactment although it provides only a limited measure of relief over a brief period.

Many of the examples of hardship and inequality that may be cited under the provisions of Succession Duty Acts can be eliminated or minimized by careful and prudent estate planning by those who through study and experience are qualified to give competent advice. Estate planning is now recognized as an important function of a Trust company and this Corporation is well organized and equipped to render important service in this capacity.

TAX SIMPLIFICATION DESIRABLE

I think that we should appreciate what the Governments concerned have accomplished during the last year and feel encouraged to believe that still more will shortly be done in the public interest. We have some reason to be encouraged by reports from the Dominion-Provincial Conference which has now been adjourned until April. It is of the utmost importance to Canada that agreement should be found upon some practical solution to the assessment, collection and distribution of the principal taxes of the Canadian people, which will reflect realistically the necessity for economy and consideration for the interests of the people as a whole.

There still exists the lack of uniformity illustrated by the provisions in the respective Provincial Acts for the time required to exempt gifts from tax, ranging from two years in British Columbia and five years in Quebec to twenty and thirty years in Ontario, dependent upon the relationship of the beneficiary. In the Dominion Act the time is three years. The position of Ontario in this respect is quite out of line with other taxing units; it discourages the distribution *inter vivos* of a reasonable part of the larger estates and acts as a deterrent to the influx to Ontario of people of substance from the United States and elsewhere.

One, rather than ten succession duty acts and ten succession duty departments, would no doubt be in the interests of simplicity, economy and uniformity. If, however, the Dominion should withdraw from the succession duty field, it is to be hoped that the Provinces will strive for a reasonable and uniform succession duty act. The respective Succession Duty Acts in Canada not only over-lap in jurisdiction but contain different principles of taxation, different bases of valuation and different rates of tax. With due consideration for Provincial rights and privileges, our taxing laws should surely encourage a Canadian to think of his home as Canada, rather than in terms of Provincial boundaries.

THE HOUSING SHORTAGE

A great deal has been written and said in recent months regarding the housing problem in Canada. The shortage of housing, brought about by the movement of thousands of men and women from farms, towns and villages to industrial centres and the desire of many to remain there, also the lack of normal housing construction during the war years, has been further aggravated by the return to civilian life in a single year of thousands of members of the Armed Forces who during the war contracted family responsibilities and are facing the problems of housing accommodation.

We believe the Dominion Government has taken a step in the right direction in establishing The Central Mortgage and Housing Corporation, the capital of which is to be subscribed by the Minister of Finance, to administer the National Housing Act in respect of joint loans, housing projects, home improvement loans and home extension loans. This Corporation will also conduct research into the business of lending money on the security of mortgages and, under the terms of the Act, provide facilities for the re-discount of mortgages held by lending institutions.

The organization of the Central Mortgage and Housing Corporation is now being completed and should provide a means whereby, with the co-operation of the Insurance, Loan and Trust companies, the housing problem may be dealt with in a more effective way.

Private enterprise should be given every possible opportunity to get building materials and supplies of all kinds so that the wide experience of contractors and builders may be fully employed in assisting to solve a nation-wide problem which is urgent in the extreme. The fullest co-operation of Building Trades, Unions and the Builders should be sought in an effort to keep down the rapidly rising costs of new houses which have already reached a price even for a four or five roomed house at which workmen tell me they fear to buy. Can we face realities now in the interests of all—workman—builder—buyer—lender—to keep the standard of wages high in Canada with a fair profit for all the necessary partners in this great industry by a united effort for high quality and quantity of production per day, an accomplishment which is fundamental to-day in this or any other industry for the success of any nation that is as dependent on foreign trade as is Canada?

RETURN OF STAFF MEMBERS FROM ACTIVE SERVICE

The war is over—thank God—and weekly we are proud to welcome back to our Corporation family a number of the 100 of our men and women who through the years of the war served in one or other of the active service units.

Serious thought and planning has been devoted to placing all who have returned to the best possible advantage in our organization. We believe that the experience and broader vision they acquired through their patriotic service will prove to be of important personal value to them as well as to the Corporation in resuming their peacetime occupation.

HONOUR ROLL

But nine of our boys will not return. These gallant lads have paid the supreme price—have joined the ranks of five others of our staff who were killed in action in the First Great War and whose names are set in bronze in a tablet at Head Office—a sacred memorial dedicated to their memory. Our heartfelt sympathy for the families and friends of these dear lads, we affectionately place on record today.

THE TORONTO GENERAL TRUSTS CORPORATION

BLOOR ST., TORONTO MONTREAL OTTAWA WINDSOR WINNIPEG REGINA SASKATOON CALGARY EDMONTON VANCOUVER

THE WASHINGTON LETTER

250,000 "Prefab" Houses in 1946 Part of Huge U.S. Building Plan

From Our Own Correspondent

WASHINGTON—An official target of 250,000 factory-built houses in 1946 calling for government co-operation to stimulate the prefab industry—by means of supply priorities, and in other ways—is a feature of the two-year housing program drafted by Housing Expediter Wilson Wyatt and announced last week by President Truman.

That is the signal and promise which the 25 or 30 established prefabricators, and scores of hopefuls, have been awaiting in their fight against opposition and inertia. The Mitchell-Kilgore bill to utilize war plants for mass production of houses still is being debated but the prefabricators' main hope is that Congress will legislate the Truman-Wyatt prefab program into fast-paced reality.

Expect Special Priority

Maybe the prefabricators' difficulties are waning. They have had enough of them. One illustration: The Civilian Production Administration (successor of War Production Board), to speed low-cost housing, recently established a priority system for lumber and other specified building materials which required among other things that the material had to be incorporated in the project within 30 days of delivery. But the prefabricator has a large plant investment and, to operate economically, must have an assured flow of materials for 90 days ahead. It is expected that modification of the priority regulations to assist prefabricators will be announced following a recent meeting of the prefabricators and CPA's advisory committee.

Though the immediate concern of the prefabricator has been a quest for more encouragement from, and even purchases by government, the deeper and longer-term problems have been lack of wide merchandising organization, public apathy, obsolete and nonuniform building by-laws, labor union and other opposition.

Need Huge Selling Effort

Basic need is development of sales organization and merchandising technique calculated to provide a constant and expanding market. This is the attack being made by Precision-Built Homes and by Gunnison Homes Inc., United States Steel Corp. subsidiary, to create mass demand in advance of production. Gunnison target is a dealer in every town of more than 9,000 people. This approach obviously requires huge capital.

Another interesting development of 1946 is sale of prefabs through department stores, particularly Macy's and Gimbel's in New York. But it will be noted that Sears Roebuck, one of the great U. S. mail-order houses and long in the prefab business, some time ago withdrew from it.

Inherent difficulties—and they are many—appear on analysis. If the full benefit of mass production is to be had, a maximum of finishing work should be done in the factory. This requires shipment to the central plant, fabrication, assembly and then reshipment of electric fixtures and wire, plumbing fixtures and pipe, plus a wide range of general building materials. The panels or sections to form a finished house each must be of considerable size; the larger and more complex the ready-made unit, the more freight space is required, with higher transport cost. If, on the other hand, the parts, fixtures and materials are shipped direct from maker to building site, most of the advantage of prefabrication is lost.

Storage, Handling Problems

The prefabricated house, immediately after manufacture must be stored or wrapped to protect its tender interior from the weather, or else it must be routed direct to the home site without delay. A house, even knocked down, takes considerable storage space and adequate storage space is seldom cheap.

The larger the individual sections, the less manhours of work in on-site erection—but unless the panels or sections are relatively light, costly mechanical handling is involved at every transshipment and during erection.

Opposition of the building trades unions long has been a major stumbling block. Some prefabricators report it is useless to try to erect their houses in urban areas where such unions are strong—even when erection labor is found, they say, plumbers and electricians can't be hired.

Municipal building codes are another hurdle. These, almost invariably a matter of local ordinance, vary from community to community. Here, again, building labor tends to oppose any standardization designed to facilitate erection of prefabricated houses.

And there are added difficulties bred of war and postwar shortages. The prefabricator today, for example, finds it almost impossible—because of price ceiling problems of plywood producers—to obtain adequate supplies of that material, basic to much prefabrication.

Costs Big Question

Experience in United States and Britain tends to suggest that prefabrication has not yet reduced building costs sufficiently to constitute a serious and immediate threat to more traditional methods. Prefabs have been made in United States since World War I but have yet to become a major factor in housing.

The U.S. Federal Public Housing Authority during the war built 850,000 houses, 70,000 of them, or about 8% prefabricated. Britain's elaborate plans for several hundred thousand prefabs have been sharply modified and once the 135,000 prefabs to which the government was committed have been erected, attention there is expected to turn again to site-built houses.

All of the foregoing points to the difficulties against which prefabricators are waging a new offensive. But sight should not be lost of the strength of that offensive. Vast new capital, accumulated technical skill, a new trend to co-operation among prefabricators, a new program of government assistance and some signs of concession on the part of the opposition in the name of the present emergency, combine to suggest prefabs may figure substantially in the postwar building program.

Bid Manitoba Invest $500,000 To Increase Tourist Traffic

From Our Own Correspondent

WINNIPEG—A $500,000 fund to help build tourist accommodation at Manitoba recreational centres is recommended by a Civilian Committee on Co-ordination of Postwar Planning, appointed in April, 1944.

The committee urges an aggressive government-assisted program to attract tourists by building roads to hunting and fishing grounds and ensuring proper accommodation. It suggests a fund on long term credit at low interest, accessible to private interests, to help them build tourist accommodation on standards set by the Government.

A licensing system is also suggested to guard against abuse of concessions.

"Routine efforts by a small subsidiary of a government department are not likely to get maximum results," the report states, pointing out that Ontario is establishing a special tourist department.

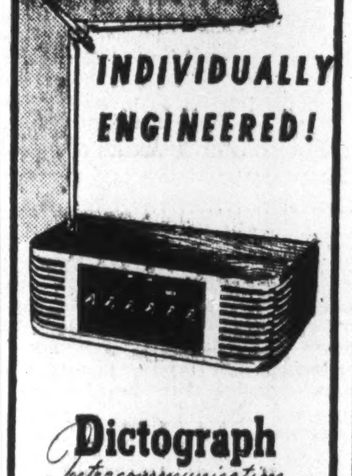
Sugar Beet Price Is Best Since 1921

From Our Own Correspondent

WINDSOR — Ontario sugar beet growers will receive an average of $11.53 a ton for their average crop, best price in 25 years, and 53 cents higher than last year.

An agreement reached by a committee representing producers and processors, provides a scale of prices starting at $9.37 a ton for beets testing 13% sugar content, and then rising 72 cents for each additional per cent, to a maximum of $14.41. Average sugar content is 16%.

The prices include a provincial subsidy of $112,500, an average of 58 cents a ton on contract prices.



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Toronto Montreal Halifax
Incorporated 1932

Future of Canada Depends on Individual Initiative Says Mutual Life President

Emphasizes Opportunities of Small Businesses. Louis L. Lang Points Out That 76% of Manufacturing Establishments Have Less Than 50 Employees

Need of Co-Operation by Government, Management and Labour Is Stressed

Value of Life Insurance Emphasized by War

Waterloo, Ont., February 7:

Declaring that "freedom is no word for a tired and hesitant people," that all factors necessary for huge and successful production of goods and services are present in Canada, and that the future of the country depends largely on the manner in which Canadians, as individuals, use their abilities, opportunities and possessions, Louis L. Lang, President of The Mutual Life of Canada, when addressing the 76th Annual Meeting of the policyholders of the Company today, issued a stirring appeal to Canadians to get behind all constructive efforts for the good of the greater and more influential Canada that has emerged out of the war.

Canada's Relationship With Other Nations

"No nation or people in the world can now stand apart or act alone," he asserted when discussing Canada's increasingly important role in international spheres, as a member of the United Nations Organization, as a member of the British Commonwealth and Empire, and in her relationship to the United States. "In all three relationships," he said, Canada can maintain her individual life and status as a nation, thinking and acting as a unit, but always in friendly and intelligent co-operation with others."

Importance of Individual Initiative

"Canada compares favourably with other countries in the degree of progress so far attained in demobilization, rehabilitation and reconstruction." Mr. Lang asserted, "the same thought, courage, energy and planning being applied to a great extent to these problems as was devoted to the winning of the war." He dealt at length with the vital matter of employment, stating that when considering this important subject the responsibilities and opportunities of private citizens and of Governments should be studied and, so far as possible, defined, and added: "Let us help the Dominion, Provincial and Municipal Governments to perform their appropriate functions, but let us also cherish the ideals and practices of private endeavour and conduct which have sustained and benefited the english-speaking world for generations."

Small Businesses Predominate in Canada

Mr. Lang quoted figures which emphasized the prominent place which small businesses, reflecting individual initiative and enterprise, occupy in the economic life of Canada, stating:

"Of the 14.240 Canadian manufacturing establishments, employing over five employees per establishment in 1942, 76 per cent employed under 50 employees and 87 per cent, or 12,388 employed under 100. This is convincing evidence that there is opportunity in Canada for the small company under the freedom of enterprise which we enjoy . . . 'big business' is the exception rather than the rule . . . individuals or small groups, day by day are investing their savings or borrowing other people's savings, to start small businesses for themselves. The great majority survive, grow and provide employment for many thousands of Canadians. This is the system under which Canada has developed to the proud position in the world which she now occupies. It is worth preservation and encouragement by our fiscal policies, and it is my hope we shall never discard it for the fanciful dreamland of State ownership and control by the State of everybody and everything."

Relaxation of Government Controls Needed

Continuing his discussion of the factors which will make for a prosperous and united Canada, Mr. Lang called for modification, and abolition as soon as possible, of Government controls, for investment of savings in new and existing forms of production, replacement of fear with a spirit of courage, and a recognition of their great responsibilities by those in positions of leadership.

Referring to the huge increases in taxation and Government expenditures in Canada since 1939 Mr. Lang observed:

"There are those who say that if the country could spend such large sums under war conditions, it can spend equal or even larger sums under peace conditions. This could only be done by maintaining taxes over five times as great as those imposed before the war, and by continuing to borrow considerably more than the taxes yielded. How long would such a plan work in the case of a municipality, a company, or an individual? . . . if taxes are to be kept within reasonable bounds, strictest economy must be exercised."

Mr. Lang felt that the more the individual can be helped and induced to assume responsibility for his own welfare, the fewer will be the demands on Government — namely, on his fellow citizens—for aid in sickness, unemployment and old age. "It is these three," he said, "with the hazard of early and unexpected death, which constitute the four spectres that haunt the minds and hearts of most human beings."

Co-operation Needed

The speaker called for greater co-operation between Government, management and labour, asserting: "We are too apt to think that the interests of Government, of management, of ownership and of labour are at variance, one with the other. Government actions should represent our interests expressed by our elected representatives, and the interests of organized and unorganized labour are identical with the interests of management and ownership. Labour has everything to gain from active and prosperous Canadian industries operating under free controls."

Mutual Life Sales Increase

Turning to the confidence displayed in the Mutual Life of Canada as revealed by the very large increase in life insurance sales in 1945, Mr. Lang expressed the opinion that factors responsible included the emphasis given to the uncertainty of life by the World War and the increased tendency to make life insurance a vehicle for increased personal savings. He pointed out that the Company's strength and stability as shown by the quality of its assets and its earnings, had kept in step with its constructive progress. 56.7% of the total assets are comprised of Victory and other Dominion of Canada bonds.

Extra Dividend of $1,500,000 to Increase Distribution of Surplus to Policyholders in 1946 to $5,350,000

Mr. Lang referred to the announcement which had appeared in the press regarding the company's decision to pay an extra dividend to policyholders in 1946 in addition to the regular scale, and stated: "Having experienced favourable earnings and having made provision in our preceding Annual Statement of $1,500,000 to meet possible additional war mortality, which fortunately was found unnecessary for that purpose, it seemed to the Board that the position of the Company warranted the distribution of this sum to policyholders as an addition to the surplus to be distributed in 1946."

Moderate Interest Rates on High Grade Bonds Desirable

When discussing interest rates Mr. Lang expressed the hope that: "those responsible for the fiscal policies of this country will give somewhat greater weight to the desirability, from both economic and social viewpoints, of encouraging thrift, and providing an incentive for saving, through a continuance of moderate interest returns on high-grade bonds. There has been a tendency over the past decade to deny encouragement to thrift and saving. This is a very short-sighted policy because the continued prosperity of the country must depend on future savings, which are not encouraged by unfair treatment of those who have been savers in the past. Not only has the development of this country depended to a great extent on this sterling attribute of character present in such marked degree in our forefathers, but it is difficult to believe that lack of saving and foresight can accomplish much that is socially desirable or can contribute greatly to socially desirable objectives."

Mutual Life in Strong Position

Mr. Lang also referred to the strengthening of the Company's contingency reserves as sound policy in the interests of the policyholders, to the favourable mortality which the Company had experienced, and added: "It is most gratifying to report that this Company has come through the strenuous war years with assets unimpaired and is now financially stronger than at any time in its history."

He concluded: "We can face the future with courage and with faith, confident that by wholehearted use of our invincible spiritual and material resources we shall participate in a more wonderful age than any which mankind has yet known."

General Manager Comments On Mutual Life Statements

Government Bonds 74.2% Total Bond Holdings

Assets and Earnings Analyzed

Mr. W. H. Somerville, Vice-President and General Manager, reported when dealing specifically with the progress of The Mutual Life during the past year, that the sales of new life insurance in 1945, amounting to $70,008,890, constituted a record in the Company's history. For each of the past 76 years the Company has shown an increase in insurance in force. There are 303,828 policy contracts in force.

When dealing with sales of new insurance the speaker said: "For many years between 30% and 40% of our new business has been sold to persons buying their first life insurance policy, usually at a fairly young age. The first policy is usually smaller than the second, third and subsequent purchases. The average-size first policy sold in 1945 was $1,569, whereas the average-size second or subsequent policy sold to persons insured exclusively in The Mutual Life was $3,350, the latter accounting for 19% of the new business for the year. An additional 17% of the new business was sold to persons who were carrying previous insurance in both The Mutual Life and other companies and they bought an average-size policy of $4,806."

It was reported by the speaker that a constantly increasing number of people in the lower income brackets are purchasing life insurance, and there is also a substantial increase in the amount of insurance sold on the lives of women and children.

Death Claims Exceed $6,000,000

War claims accounted for 22 per cent of the total death claims of $6,156,013 on Ordinary insurance paid in 1945, as compared with 24 per cent of the claims in 1944. During the six war years from 1940 to 1945 inclusive, policyholders carrying a total face amount of $32,750,000 of Ordinary insurance died, 13 per cent being war claims.

The associated diseases of the Heart, Blood Vessels and Kidneys again accounted for over one-half of the civilian death claims, the percentage being 51.5 per cent in 1945, compared with 50.6 per cent in 1944. No significant changes were observed in other causes of death.

General Investment Reserve and Unassigned Contingency Fund aggregated $15,083,158, an increase for the year of $1,286,790, Surplus Earnings for the year being $5,460,049.

Assets

An increase of $17,456,388 in the Company's assets, to the total of $269,560,078 was reported. The main increase in Assets is in holdings of Bonds which total $205,958,818 of the Company's total assets. Of this amount, Dominion of Canada direct and Guaranteed Debentures comprise $152,805,398, being 74.2 per cent of the Company's Bond holdings and 56.7 per cent of the total assets.

Provincial and Municipal Bonds had a book value of $35,315,700 at the end of 1945, equivalent to 13.1 per cent of the total assets, and Public Utility, Industrial and other Bonds at $17,837,718, comprise 6.62 per cent of the total assets.

The rate of interest earned on Invested Assets in 1945 was 4.27 per cent.

Mortgage Loans

Mortgage Loans and Sale Agreements totalled $30,199,748 at the end of the year. Applications for new mortgage loans to the amount of $5,410,172, including 532 applications for loans under the National Housing Act, were accepted in the past year.

Real Estate

Real Estate holdings, exclusive of Head Office, totalled $606,635, a reduction of $441,696 from the figure at December 31, 1944.

Extra Distribution of Surplus

The company is continuing in 1946 the same scale of dividends to policyholders as was used in 1945, plus an extra surplus distribution of $1,500,000.

Mutual Life President

Louis L. Lang, President of The Mutual Life of Canada, who addressed the 76th annual meeting of policyholders, held at Waterloo, on Thursday, February 7.

THE MUTUAL LIFE Assurance Company OF CANADA

Established 1869

Head Office: Waterloo, Ontario

76th ANNUAL STATEMENT
December 31, 1945

ASSETS

DOMINION OF CANADA and DOMINION GUARANTEED BONDS, which comprise 56.7% of Total Assets	$152,805,3[illegible]
PROVINCIAL AND MUNICIPAL BONDS, consisting entirely of obligations of Canadian Provinces and Municipalities	35,315,700.78
OTHER BONDS, including Public Utility, Industrial, Institutional, U.S. Treasury and Municipal Bonds	17,837,718.60
STOCKS. These consist of Preferred Stocks of $2,128,134.10 and Common Stocks of $5,055,340.09	7,183,474.19
The Market Values of Bond and Stock holdings are substantially in excess of the Book Values shown above.	
MORTGAGE LOANS AND SALE AGREEMENTS, of which 18.3% are loans under the National Housing Act	30,199,748.06
REAL ESTATE, including $600,393.38 for Head Office, at cost, less amounts written off	1,207,028.38
LOANS TO POLICYHOLDERS, fully secured by Cash Surrender Values	18,255,418.29
CASH at Head Office and in Banks	624,909.33
PREMIUMS due but not yet paid; and on a semi-annual, quarterly and monthly basis, where part of the premium for the year remains to be paid (fully secured, because assumed paid in calculating Actuarial Liabilities)	3,395,001.06
ACCRUED INTEREST, representing Interest on Investments, earned but not payable until 1946 (interest overdue not included)	2,494,202.24
PAYMENTS DUE FROM REASSURING COMPANIES for losses or claims paid by the Company	41,478.10
TOTAL ASSETS	$269,560,078.02

LIABILITIES

RESERVE FOR ASSURANCES AND ANNUITIES representing the aggregate actuarial liabilities for contracts in force on December 31, 1945, as required by the Dominion Department of Insurance	$201,765,612.00
INCOMPLETE AND UNREPORTED CLAIMS, including death and disability claims and matured endowments awaiting payment	2,630,176.70
FUNDS ON DEPOSIT. Policy Proceeds, Dividends and Other Amounts left with the Company at interest	37,777,135.02
UNPAID DIVIDENDS, which will be applied to reduce overdue premiums when paid	160,804.33
PREMIUMS AND INTEREST PAID IN ADVANCE	388,409.78
OTHER LIABILITIES, including Provision for Staff Pensions, Unpaid Expenses, Accrued Taxes	4,307,644.12
RESERVE FOR QUINQUENNIAL DIVIDENDS consisting of Dividends accumulated annually and distributed, according to contract, at five-year intervals	67,137.35
DIVIDENDS PAYABLE IN 1946. Full Provision for Dividends payable in 1946, including the Special Dividend of $1,500,000	5,350,000.00
SPECIFIC RESERVE FOR FLUCTUATION IN VALUE OF INVESTMENTS	2,000,000.00
GENERAL INVESTMENT RESERVE	3,500,000.00
UNASSIGNED CONTINGENCY FUND	11,583,158.72
TOTAL LIABILITIES and SPECIAL FUNDS	$269,560,078.02

BOARD OF DIRECTORS AND OFFICERS

LOUIS LaCOURSE LANG, President, Kitchener, Ont.
MAJ. GEN. HON. S. C. MEWBURN, K.C., C.M.G., Vice-President, Hamilton, Ont.
W. H. SOMERVILLE, C.B.E., Vice-President and General Manager, Waterloo, Ont.
R. C. BERKINSHAW, Toronto, Ont. — W. G. MURRIN, Vancouver, B.C.
G. BLAIR GORDON, Montreal, Que. — GLYN OSLER, K.C., Toronto, Ont.
GORDON C. LEITCH, Toronto, Ont. — J. E. PERRAULT, K.C., LL.D., Montreal, Que.
H. A. MACKENZIE, London, Ont. — ISAAC PITBLADO, K.C., LL.D., Winnipeg, Man.
H. L. McCULLOCH, Galt, Ont. — C. F. SISE, Montreal, Que.
JAMES Y. MURDOCH, K.C., Toronto, Ont. — W. G. WATSON, Toronto, Ont.

A. E. PEQUEGNAT, A.I.A., F.A.S., Assistant General Manager
J. M. LAING, A.I.A., F.A.S., Actuary
J. M. LIVINGSTON, M.D., Medical Director
E. A. RIEDER, F.A.S., F.A.I.A., Associate Actuary
H. L. GUY, F.A.S., Assistant General Manager and Treasurer
H. HOLMES, A.I.A., F.A.S., A.A.I.A., Secretary
GEORGE DUNBAR, Superintendent of Agencies

A complete report of the proceedings of the Annual Meeting, held at the Head Office of the Company, Waterloo, Ontario, on Thursday, February 7, 1946, may be obtained from the Head Office or from any of the Company's Branch Offices.

Life Companies Regain Ground In the Orient

Gradually Reopen Offices and Contact Policyholders

Canadian life insurance companies operating in Oriental countries, recently freed from the Japanese, are gradually untangling their business there, progress varying in different areas.

In some parts political unsettlement and lack of stable currency are the big obstacles. Lack of free communications is a big handicap in most, and a pronounced feeling of nationalism, with considerable hostility to outside companies, is encountered in practically all.

Nevertheless, advices from company representatives, indicate a gradual return to normal. The four Canadian companies operating in the East, Confederation, Crown, Manufacturers and Sun, are co-operating closely, some of those well established in certain areas, collecting premiums for others which have no regular representatives of their own there. Branches of some companies have been opened at such key positions as Manila, Hong Kong, Shanghai and Singapore.

The territory affected by the Japanese occupation, includes mainly Burma, and Singapore; China and Japan; the Netherlands East Indies, Thailand, The Philippines.

All companies are working on the same general lines, it is understood. Efforts so far have largely consisted of contacting former policyholders and restoring their policies. Many have not yet been located, but the situation is reported improving.

When No Premiums Paid

The main difficulty is in policies on which no premiums were paid during the Jap occupation. The companies are doing all possible to make it as easy as possible for policyholders, having regard to the rights of policyholders in other parts of the world. Where a policy has sufficient cash value to carry itself, overdue premiums are treated as a loan, and the interest rate charged has been reduced to 4%. Wide latitude is given in predating contracts, to avoid arrears. Where policies have lapsed, reinstatement is allowed on as easy terms as is possible.

India was not occupied by the Japs, and life insurance business there is reported booming, despite strong nationalistic feeling. Deposits for protection of Indian policyholders, however, must be made in Indian securities. As the record of securities of the Indian states generally has been fairly good, this does not cause any particular difficulty.

In Singapore and Burma, the companies are gradually getting back into operation, but progress has been handicapped, particularly in Singapore, by Jap destruction of all records. However, it has been possible to obtain duplicates from company head offices. Banking facilities have been resumed to a limited extent. However, because of the strong nationalistic feeling, the future still remains obscure. Operations of some companies are being carried on through others.

Currency Problems

In China, company operations are largely confined to picking up threads of business previously in force there. Little or no new busines is being done. Currency and exchange problems are serious in China because of the unsettled political situation. The nation is reported aiming to establish a Chinese national dollar equal to 25c. in U. S. currency. There is, however, a great deal of old currency out among the people, which complicates this situation.

The former Shanghai concession is no longer British territory, having been handed back to China, and, policies written in pre-war Shanghai dollars are a particlar problem. The Shanghai dollar is quoted in some cases as low as ½c. Canadian. Companies are paying off at a rate somewhat above this, it is understood.

Hong Kong is still British territory and some new business is coming through from there. Companies are taking applications for insurance when payments can be made in pounds or dollars, but the lack of a settled rate of exchange is an obstacle to new business being done.

Operations in Java are still more or less at a standstill, due to political conditions. Last reports indicate that office furniture and records are intact, but until the political outlook becomes clarified, it is felt progress will be slow.

In Japan itself there is no direct communication, due to military control of all communications. But it is understood Canadian interests have been protected through the financial section of the allied nations' military forces, and the Japanese ministry of Finance. It is assumed that records are still available.

National Security Insurance Company

Notice is hereby given that the National Security Insurance Company having ceased to carry on business in Canada has reinsured its liabilities in Canada, in the Philadelphia Fire and Marine Insurance Company which is registered under the Foreign Insurance Companies Act, 1932, as amended, to transact business in Canada, and will apply to the Minister of Finance for the release on the 30th day of March, 1946, of the securities on deposit with the Minister of Finance; and that any Canadian policyholder opposing such release should file his opposition thereto with the Minister of Finance, Ottawa, on or before the 30th day of March, 1946.

Dated at Toronto, Ontario, this 21st day of December, 1946.

H. C. MILLS,
Chief Agent for Canada.

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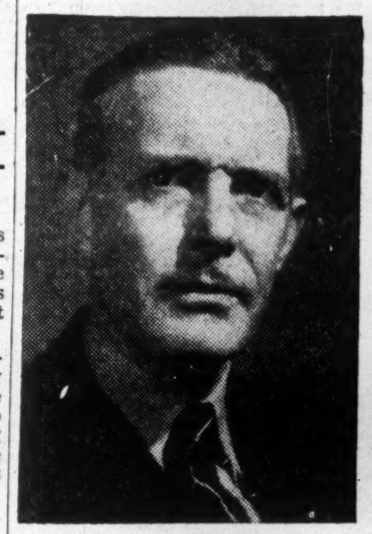


H. K. DUNN

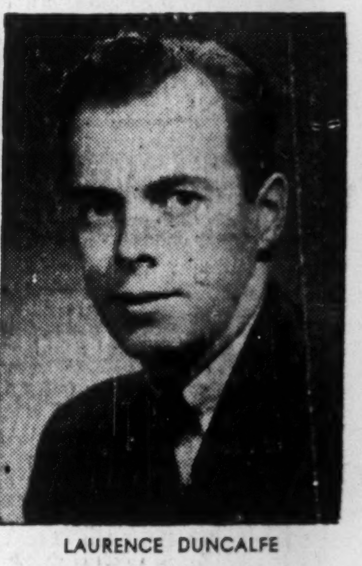
Joins the Montreal staff of McConnell, Eastman & Company Limited as an Account Executive. Mr. Dunn is a graduate of Law and Economics from Cornell University and returns to Canada after a wide experience in the United States in advertising, merchandising, engineering and business research. Mr. Dunn's former experience included supervision of the market, distribution and sales development staff at McGraw-Hill Publications.

R. M. BUCKHAM

Rejoins the Montreal Office of McConnell, Eastman & Company Limited as Art Director. Following his return from overseas last June, Mr. Buckham has completed an advanced course in commercial artwork at the Pratt Institute, New York City. Drawings of Prison camp life which Flt.-Lieut. Buckham made while a prisoner of war in Germany have been exhibited in New York and reproduced in a leading Canadian magazine.

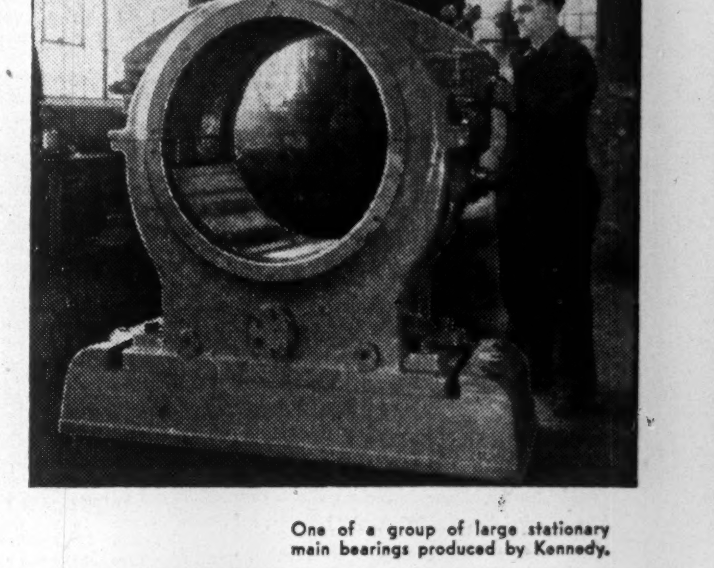
L. S. HOWARD

Rejoins the Montreal Office of McConnell, Eastman & Company Limited as an Account Executive after 4½ years as a Lieutenant in the Canadian Navy. In the Navy, Mr. Howard specialized in Communications work while serving in various types of ships in Atlantic convoys. Prior to joining the Navy, Mr. Howard was Production Manager at McConnell, Eastman & Company Limited and had previous experience in the oil industry.



LAURENCE DUNCALFE

Joins the creative and copy department of the Montreal Office of McConnell, Eastman & Company Limited. Mr. Duncalfe, who recently returned from overseas, had former experience as a free lance advertising writer and specialized in creative advertising work. Former experience also included commercial radio writing and merchandising experience with a leading Departmental store.



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INCOME TAX

Separated From Husband

I am separated from my husband and working. I maintain a self-contained domestic establishment in which I support a fully dependent child and employ a full-time housekeeper. For income tax purposes, I am granted the status of a married person with one dependent. If I receive any money from my husband, how should it be treated for income tax and would these payments, if over a certain figure, affect my status as a married person?

Any money received by you from your husband should be added to your own income for tax purposes. It would not affect your marital status, irrespective of the amount, as long as the separation continues.

Claims Refund

I draw my income mostly from investments and pay my income tax by quarterly installments. In the first three installments in 1944, I overpaid my tax due materially. In my final return for the year, I claimed refund of the overpayments. So far I have not received the refund. Would it be permissible for me to deduct the amount of the refund from my tax due for 1945?

Yes. But if your calculations should prove wrong you would be liable to pay an interest penalty on the amount of tax due but not paid.

INVESTMENTS

Beaulieu-Atlas

Can you give me some information on Beaulieu Yellowknife Mines and Atlas Yellowknife Mines? What is the treasury position of these companies and what shares remain under option?

Beaulieu Yellowknife Mines owns the Norma group of 12 claims in Campbell Lake area and F. S. group of 6 claims adjoining Quest Yellowknife, Yellowknife area, N.W.T. A deep drilling campaign was started late in 1945, and while temporarily delayed due to shortage of gasoline, program has once more got under way. Earlier in the year, considerable shallow drilling was carried out to trace the main break, which traverses the property for 1,800 ft.

Outstanding capital stock totals 2,150,005 shares, of which one million shares were issued for properties and 1.15 million shares sold for $200,000 and 5 shares issued to directors. Outstanding option to M. A. Levinter, Toronto, covers 200,000-share blocks at 50, 75 cents and $1, 150,000 shares at $1.50 and 99,995 shares at $2 per share. Option payments have been anticipated far in advance of due date with 200,000 shares at 50 cents not due until Jan. 14, 1947.

Atlas Yellowknife Mines owns 12 claims, known as the Goodwin group, adjoining Giant Yellowknife Gold Mines on northeast in Yellowknife area, N.W.T. Extensive diamond drilling was carried out in 1945 in an effort to locate commercial gold ore bodies similar to those at Giant Yellowknife. A value of $13.48 was reported secured across 2.5 ft. in hole No. 4. Diamond drilling is continuing.

Outstanding shares of Atlas Yellowknife total 2,000,005, of which one million issued for properties and 1,000,005 shares sold for $185,005 in 1945. Options outstanding to Draper Dobie and Co., Toronto, cover 100,000 shares at 30 cents, 200,000-share blocks at 40, 50, 60, 75 and 999,995 shares at $1 a share. Next payment is due April 10 and final payment on 999,995 shares due Sept. 10, 1946.

Lee Gold

What happened to Lee Gold Mines?

Lee Gold Mines was succeeded by Greenlee Mines on the basis of 1 new for 5 old shares held. Greenlee Mines still owns a group of 18 claims at Johnston Lake, Yellowknife district, N.W.T., 12 claims in Harker Twp., Larder Lake division, Ont., and 8 claims in Swayze district, Ont. The company has been inactive for several years, but a short time ago announced plans to resume work.

Margin in U.S.

What is the margin required for short sales in the U.S.?

The margin required for short sales in the United States now is 100% of the current market value.

Limited Companies

My husband and I have a prosperous business which we have been running since 1929. We think we would like to make it a limited company to include our son. Would you let us know the advantages and disadvantages and any other details re incorporation?

A limited company is given by law an individuality quite distinct from those who contribute toward its capital and management. Its chief advantage is that the corporation alone is liable for its own debts and any shareholder cannot lose any greater amount than he has subscribed plus any unpaid balance owing on his shares. Another advantage is that the limited company's continuance as a business does not depend on the life, solvency or whim of any of its members. In the case of a partnership the business is dissolved on the death of any one of the partners or at the will of any one of the partners.

Chief disadvantage would seem to be the fact that the business would have to pay the corporate income tax and then the individuals would have to pay personal income tax on any dividends paid to them.

A company may be incorporated under either the Dominion Companies Act or under the Companies Act of one of the provinces. The company whose objects are purely provincial usually will obtain a charter from the province in which it wishes to operate as we understand that this is usually the cheapest method. The incorporation fee is payable in accordance with the tariff, varying with the capital and must be sent in with the application for incorporation. The application for incorporation must, as a rule, be made by not less than three persons of 21 years of age or more.

For actual details we would suggest that you consult a lawyer who would be able to tell you what would be involved in your particular case and who also would probably be able to tell you the particular advantages and disadvantages of incorporating in your case.

Riverside Bonds

Please tell me what is being done re interest payments on Town of Riverside bonds?

An interim payment of 1% on account of interest accruing in the year 1945 is being paid on Town of Riverside bonds upon their presentation to the Guaranty Trust Co. of Canada either in Toronto or Windsor. This is the same rate as has been paid on these bonds during the last five years.

Refunding negotiations are under way for the Town of Riverside and it is hoped that a definite refunding arrangement can be placed before bondholders in a couple of months, The Financial Post understands. The previous reorganization plan for Riversidewas a temporary five-year arrangement which expired at the end of 1944.

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FRANK J. GREANEY

has been appointed director of the North-West Line Elevators Association's farm service.

Alberta Irate As Gas Prices Rise In West

From Our Own Correspondent

EDMONTON — Increase of two cents a gallon on gasoline prices on the Prairie Provinces has drawn strong criticism in Alberta.

Demands for a farmers' nondelivery strike will be intensified, R. J. Boutillier, secretary of the Alberta Farmers' Union, predicts, saying farm organizations in the three Prairie Provinces, plan joint action to seek government investigation of the records of oil companies.

Premier E. C. Manning maintains the price should be reduced, instead of increased, and urges the Dominion Government to vacate the gasoline tax field.

Elmer E. Roper, M.P.P., provincial CCF leader, said that if the Provincial Government does not act in the matter, he will move for an immediate investigation at the present session of the legislature. He said net gasoline prices in Edmonton are higher than in any other Canadian city except Winnipeg.

"No wonder Alberta people are asking what benefit it is to be living on top of an oil field," he commented.

C. D. Jacox, president of the Edmonton Chamber of Cemmerce, said he joins in the protest.

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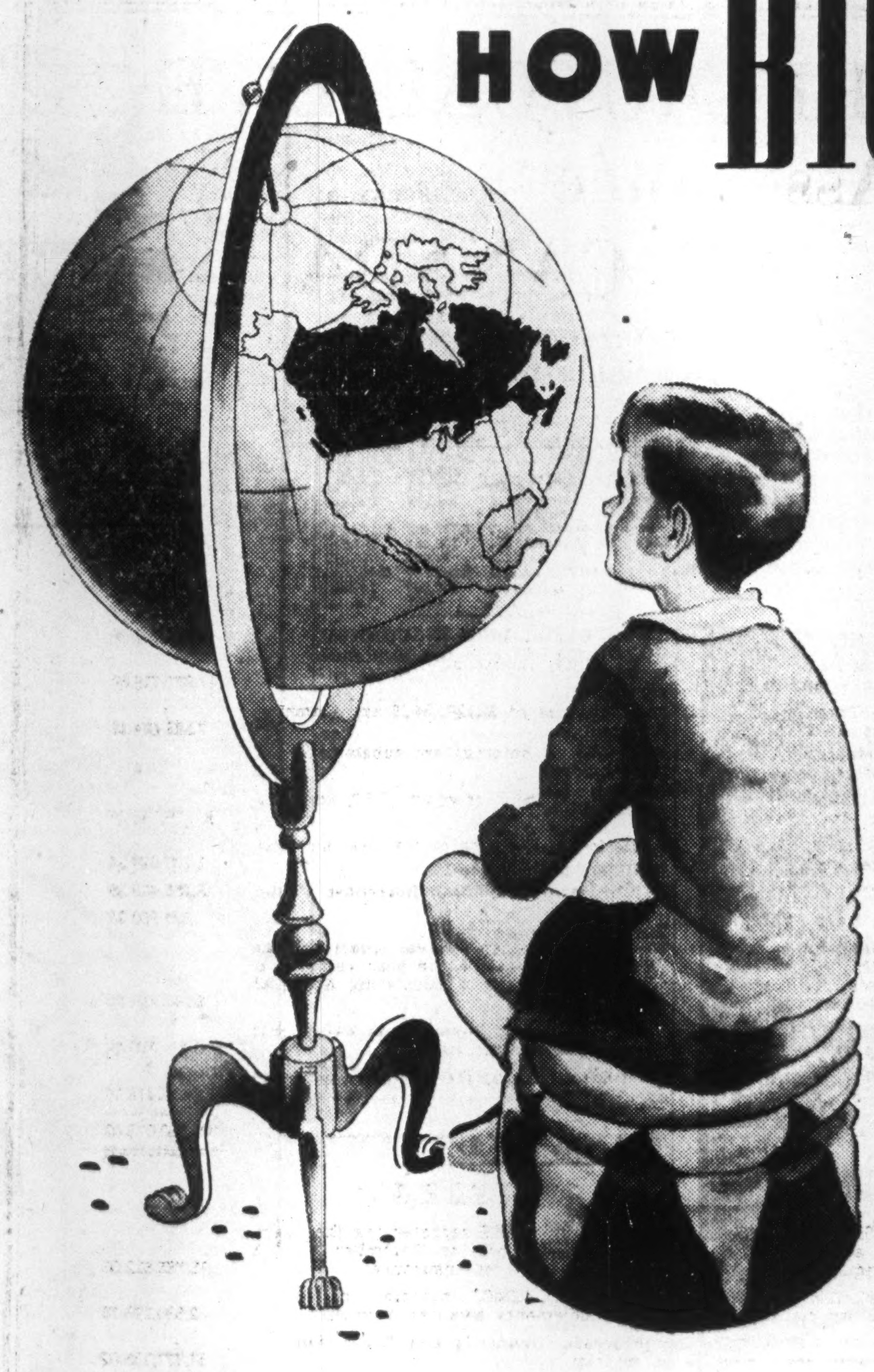

WELL . . . it's an outstanding number of square miles, a lot of it barren, if you want to look at it that way. Or, it's a prosperous, populated, 100-mile wide trading area stretching from the Atlantic to the Pacific, just north of the U.S. border. Or else, it's 11½ million people who have the biggest back-log of buying power in their history and are just beginning to realize their own special destiny as a force for world peace.

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1945
A Record Year
for
EMPIRE LIFE

Sound growth in strength and security to policyholders is reflected in the Company's operations as shown by this summary from the Annual Report.

Insurance In Force . .	$61,731,325
An Increase of $7,836,154	
Total Income	$ 2,358,743
An Increase of $378,315	
New Insurance, paid for and revived . .	$11,482,841
An Increase of 27%	
Total Assets	$13,735,904
Policy Reserves	$11,804,087
Payments to Living Policyholders and Beneficiaries	$ 862,775
Surplus for Protection of Policyholders . .	$ 1,354,581

EMPIRE LIFE
INSURANCE COMPANY
KINGSTON ONTARIO

Bank of Canada Note Circulation Shows Smallest Increase Since '39

While Bank of Canada notes held by the public increased $70 millions in 1945, the rise was the smallest for any single year since 1939. Graham F. Towers, governor of the Bank of Canada, states in his report to the Finance Minister. This, Mr. Towers explains, was to be expected "since the volume of production and of money payments declined somewhat in the latter part of 1945 from their wartime peak."

During the war years the note issue of the Bank of Canada increased steadily as under full employment, more money was required to pay wages and finance business. Since the war ended, however, demand for cash, while continuing to increase, has done so at a slower pace. It is thought in some quarters that note circulation may remain stationary or decline for a while until private spending replaces that of the Government.

Net Earnings Up

The bank shows net earnings for 1945 of $22.7 millions. The regular dividend on the capital stock held by the Finance Minister took $225,000, leaving $22.5 millions. Under the Bank of Canada Act, when the reserve fund equals more than twice the paid up capital ($5 millions), all surplus earnings have to be paid to the Receiver-General for the consolidated revenue fund of the Dominion. In 1944 the reserve fund reached $10 millions and accordingly the whole $22.5 millions net surplus for the year is paid in to the general revenues of the country.

The increase of $2.4 millions in net profit is attributed by Mr. Towers to rise in security holdings. Security purchases, he explained, were increased "in part to offset the downward effect on chartered banks' cash reserves of increased public holdings of Bank of Canada notes and also in order to enlarge the cash reserves of the chartered banks."

Foreign Currency Assets

Among the assets, holdings of sterling and U. S. A. dollars were $156.8 millions. This, Mr. Towers explains, represented foreign exchange held for foreign clients and is balanced by a contra item, "liabilities payable in sterling, U. S. A. and foreign gold currencies of the same amount."

During 1945, the report states, Canadian deposit liabilities of the chartered banks rose $804 millions. Cash reserves, however, increased to keep the ratio of cash reserves to deposits at almost the same level as in the previous year. Including the increase in public deposits with the chartered banks and the increased Bank of Canada note circulation held by the public, the volume of money in the country rose over $1 billions to $7.1 billions, including $991 millions active Bank of Canada and chartered bank note circulation and $6 billions bank deposits.

Taxation

Discussing the Dominion-Provincial conference, Mr. Towers said:

"If mutually satisfactory agreements can be reached which will adapt present taxation arrangements to postwar conditions, it will be possible for tax rates to be set in such a way as to encourage business expansion and promote high and stable employment. I need hardly add that the higher the average level of employment and income which can be achieved, the larger will be the tax base of all governments, and the lower the ta.. rates which will be required, on average, to meet their needs. An agreement of the kind mentioned would also make it possible to determine tax rates with an eye to balancing budgets over the business cycle as a whole rather than in each separate year.

"Failure to reach satisfactory Dominion-Provincial agreements would mean a return to the pre-war multiplicity of taxes. Whether governments intend it or not, the character of our tax system will have a powerful effect on business enterprise and economic conditions, and reversion to the pre-war tax situation would certainly hamper economic expansion. In view of the very difficult international situation which we must face, such a development would appear to involve risks which this country can ill afford to take."

	1945	1944
Net profits	$ 22,766,921	$ 20,312,659
Div. to Fin. Dept.	225,000	225,000
Tr. to rest fund.	......	2,008,766
Pd. Dom. Govt..	22,541,921	20,087,660
Total assets	2,031,886,629	1,687,386,097
Ster. & U. S. dollars	156,829,962	172,257,273
Investments ..	1,855,582,636	1,490,825,869
Other assets...	19,474,062	24,055,604
Rest fund	10,050,367	10,050,367
Note circulation	1,129,099,247	1,035,072,606
Deposits:		
Dom. Gov. dep.	175,838,826	30,996,574
Ch. bank dep..	521,209,383	401,723,907
Other deposits.	29,770,378	27,683,100
For. currency .	156,829,962	172,257,272

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Public Relations Program Essential Bankers Are Told

No bank or trust company can hope long to survive without an aggressive and intelligent public relations program, Dale Brown, president of the Financial Advertisers Association and a vice-president of the National City Bank, of Cleveland told the trust division of the American Bankers Association at New York last week. The meeting was an international one, attended by a number of Canadian representatives of banks and trust companies.

During the war, Mr. Brown declared, the allied nations learned how to produce in greater quantities than ever before. Now, he added, the job is to see that the distributive situation is improved and more and more people use more and more goods and services.

"This applies as much to bank and trust services as it does to industry," he went on. "The job of management is to create a good character for its institution by safe and sound operations. The reputation of a bank is what the people think it is, and at this point, public relations start to operate. Collectively, every officer and every clerk has it in his power to create either a good or a bad reputation for an institution. This is a grave responsibility."

FIDELITY LIFE ASSURANCE CO. had a gain of $2 millions in insurance in force in 1945, its annual report shows. Total income was $495,635; payments to policyholders and beneficiaries $129,770; reserves for protection of policyholders increased $194,733; dividends to shareholders were $4,867. Of total assets 69.5% is in Dominion of Canada bonds.

	1945 $	1944 $
Insurance in force ...	13,236,237	11,192,095
New insurance	2,831,895	1,915,517
Total income	495,635	478,696
Pd. p'holders & benif.	129,770	134,736
Added p'holders res. .	194,733	143,910
Liabs. to p'holders incl. actuarial res. .	2,337,407	2,123,140
Liabs. to s'holders ...	130,483	132,241
Other liabs.	21,434	19,879
Total assets	2,650,290	2,410,245
Net surplus	160,965	134,985
Int. earned	4.5%	......

EQUITABLE LIFE INSURANCE CO. OF CANADA shows insurance in force of $51.5 millions, in its report for 1945. Figures exclude annuity contracts providing for $110,230 annual payments. Total income was $2.2 millons; payments to policyholders and beneficiaries $886,004; $548,388 was added to policyholders' reserves. Mortality rate showed a decline. Policy reserves are based on a 3½% interest earning basis for pre-1930 business, on 3% for subsequent years.

	1945 $	1944 $
Insurance in force ..	51,466,832	48,896,192
New insurance	5,244,264	5,271,305
Total income	2,251,312	2,342,691
Pd. p'holders	886,004	737,576
Added p'holders res. .	548,388	836,237
Shareholders' divds. .	9,814	9,814
Liabs. to p'holders incl. actuarial res. .	15,317,806	14,599,730
Liabs. to s'holders ...	327,155	327,155
Other liabs.	172,997	150,446
Total assets	16,707,906	15,879,559
Net surplus	889,948	802,228
Int. earned	5.1%	5.2%

BANK OF CANADA

Liabilities	Feb. 6 1945	Jan. 30 Jan. 30 1945
Notes in circ. ..	1,088,052,313	1,088,840,812
Rest fund	10,050,367	10,050,362
Deposits: Dom. .	169,683,526	191,344,298
Chartered bks.	493,642,714	500,994,808
Other	59,832,579	54,578,645
Total deposits ..	723,158,819	726,917,751
Liabs. payable in sterling, U.S.A. and For. Gold currencies	101,830,762	101,830,762
All other liabs. .	31,941,417	27,960,131
Total liabs.	1,960,033,678	1,960,599,823
Assets		
Sterl. & for'n ex.	101,830,762	101,830,762
Subsid. coin	355,503	354,516
Investments:		
Dom. gov. sh..	1,130,426,532	1,148,642,998
Oth. Dom. gov.	694,633,667	684,568,266
Other secs. ..	10,000,000	10,000,000
Total invest.	1,835,060,199	1,843,211,264
Premises	1,883,985	1,884,018
All other assets .	20,903,229	13,319,262
Total assets ..	1,960,033,678	1,960,599,823

Joseph dePencier, who has recently become associated with the Toronto Office of Collier, Norris & Quinlan Limited, on his return to the Investment Business after more than six years absence with the Foreign Exchange Control Board and the National War Finance Committee in Ottawa.

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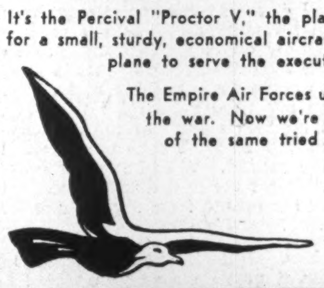

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LONDON CALLING—BY ADELPHI

Socialists "Surrender Abjectly" To Wall St., Imperialists Charge

LONDON (By Cable) — Caxton Hall was crowded last week, when old and new stalwarts held the first of a series of meetings under the auspices of the Empire Industries Association. L. C. M. S. Amery was principal speaker, this being his first public appearance since the tragedy of his son's execution.

Lord Croft, handsome, unmarked by his years, was in the chair. Young Lord Lloyd, son of the famous David Lloyd George, who was such a fiery imperialist, was there to show that he intended to carry his father's banner. But the most interesting figure was Christopher Hollis, author and economist, who is making a brilliant reputation in the House of Commons.

Hollis roused the sedate audience to applause, almost to cheers, by declaring that in accepting the Bretton Woods agreement we were breaking up Empire unity at the command of a foreign power.

"Our Socialist government," he declared, "has made an abject surrender to American capitalism—a surrender to which no Conservative government would have consented. Our Socialists obviously do not disapprove Capitalism in general, but only British Capitalism.

"We are told that we must review (a polite word for reduce) our debts to the Dominions. Some such step may be justified; but since when did Britain take orders from Wall Street on how to treat with the Dominions?"

He described how Premier Attlee summoned Parliament at 10.30 at night, and told it that the Bretton Woods agreement would be allotted only two days for debate, and must be carried through all stages in that time. But the U.S. Congress, he pointed out, is allowed months for discussion of the Anglo-American loan and the Bretton Woods agreement.

The speaker also warned his audience that Australia and Russia had refused to ratify the terms; but stated that the British government as "the tame slave of American Capitalism," merely issued orders to the British Parliament.

* * *

Compensation Offer Worthless—Amery

Col. Amery denounced as worthless the U.S. offer to make compensating concessions, in return for reduction of imperial preferences. He asked what the United States could offer, which would even remotely equal the advantages of the present economic unity. He also reminded the audience of the long years when the Dominions maintained favored markets for British goods, without any similar action by Britain. With deep emotion, he conjured up the vision of Joseph Chamberlain, and urged his hearers to be true to that statesman's vision and sacrifice.

Lord Lloyd, speaking with great vitality, prophesied that if Empire economic unity were destroyed, Empire political unity would be also; and he asked who would then stand by our side if dark days came again? Altogether, it was an impressive gathering, even if it lacked the glamor and excitement of the Bevin-Vishinsky duel, being fought simultaneously in an adjoining hall.

Bevin is the most popular man in England at the moment. Every time he pounds the table, the British stick their chests out another inch. On the other hand, Bevin's Government is in trouble on the home front. The Socialists are proving hopeless psychologists, with almost no grasp of the modern art of public relations.

Thus the Minister of Food and the Minister of Agriculture, rather like a vaudeville sister act, get up without any warning in the House of Commons and disclose an alarming food situation. Our bread is to be black again; there are to be no rice imports, livestock is to be cut down because of lack of feed; fats will be reduced still more.

When they finished, Anthony Eden, acting Opposition leader, made a furious protest, stating that the Conservatives had not been informed or asked to co-operate; and also, that the government had not only failed to warn the nation by periodical announcements, but that Premier Attlee had actually foreshadowed improved conditions.

Eden demanded an early debate, which was conceded by the flustered government. The Minister of Agriculture was particularly on the spot, because he has consistently refused to restore the wheat-growing subsidy from £2 to £4 per acre. One wonders if the government triumph in the Preston by-election would have taken place if the food facts had been known.

* * *

Pilgrims Honor Mrs. F. D. Roosevelt

I attended a Pilgrim's Society dinner in honor of Mrs. Franklin D. Roosevelt. She is taller, and far better looking than newspaper pictures would indicate. She has a most pleasing speaking voice, although her actual speech was somewhat marred by the fact that it was being broadcast to the United States, and was addressed more to her own people than to us who were her immediate audience. But she made a fine impression, and really looked and sounded like America's "First Lady"—using that term qualitatively, and not numerically.

Lord Greenwood, as robustly Ontario in his voice as when he lived in Whitby 60 years ago, presided at the dinner and read a letter from the Pilgrims' president, 83-year-old Lord Derby, urging the erection of a memorial to F. D. Roosevelt in London. This was received enthusiastically, and plans are going forward. I was glad to see Lord Bennett present after his serious illness.

For some reason, Viscount Simon, Lord Chancellor in the coalition government during the war, proposed the toast to Mrs. Roosevelt, although Lord Jowett, the Socialist Lord Chancellor was present, as was Herbert Morrison. I cannot understand the fact that no member of the government spoke; but certainly there was not any political significance in this.

* * *

I fear that the British people must look forward to grim times for the next six months or longer. People who live only on rations, and who cannot afford occasional restaurant meals, trudge wearily from queue to queue, trying to pick up fish or sausages, but glad to get anything. Now it seems that even powdered eggs are to disappear. Those of us who own dogs line up in a queue for horsemeat; but many women do the same, with the intention of feeding it to their husbands in one disguise or another.

I spent an evening with Ely Culbertson, the famous bridge king, who gave me his impressions of the British. "They are tired," he said, "and they need some fun; everybody needs some fun, and the British aren't getting it. I also notice an enormous levelling of social distinctions."

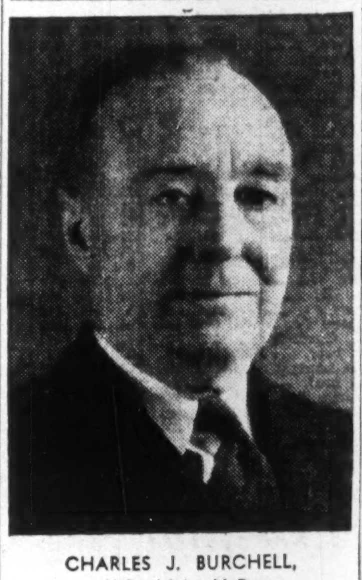
After that he played bridge; but alas, there is no levelling process there. He is here with some political idea of forming a world federation, but I am not clear how or why. He is deeply disturbed at the Russian attitude, but is not unique in this.

I regret that these notes give you a sombre picture of Britain, but there is not much joy or sun in Europe these days. However, we shall still be here when Spring comes, even if our waistlines will have shrunk another inch or two.

SEIBERLING APPOINTS COMPTROLLER

Marcus L. Brown, President, Seiberling Rubber Company of Canada Ltd., announces the appointment of Deryck G. Richards, C.A., as Comptroller of the Company.

"Dyke" Richards has been associated with the well known auditing firm of Clarkson, Gordon, Dilworth and Nash, Toronto, for the past fifteen years. *



CHARLES J. BURCHELL, K.C., M.A., LL.B., who has been elected a Director of The Canada Permanent Trust Company.

Mr. Burchell is senior member of the firm of Burchell, Smith, Parker & Fogo, Halifax, and has been a member of the Bar of Nova Scotia for a considerable number of years. He has appeared in many cases before the Supreme Court of Canada, and the Privy Council. He was legal adviser for the Canadian delegation which met in London with representatives of the United Kingdom and other Dominions, to draft "The Statute of Westminster 1931."

During the war years, he acted as High Commissioner for Canada first in Australia, then in Newfoundland, and latterly in South Africa, and at the end of hostilities returned to his private practice in Halifax.

He has had a long connection with the "Canada Permanent" in both Sydney and Halifax. He is a Director of the Dominion Steel and Coal Corporation, and a Governor of Dalhousie University. *

Challenge Alberta Mine Tax As Both Excessive, Illegal

From Our Own Correspondent

EDMONTON — Validity of Alberta's Mineral Taxation Act is being challenged by corporations owning extensive mineral lands, including coal.

Among a total of 60 filing assessment appeals are the CPR, Lethbridge Collieries Ltd., Canmore Coal Co., C. and E. Corporation, and Hillcrest Collieries. The appellants contend that the Act is ultra vires, the assessments excessive, and that in some cases there is no evidence of coal deposits on the property.

Government spokesmen say the assessment commission can only deal with valuations and that any attack on validity of the Act must be made through the courts.

In 1944 the tax of one-half cent per acre produced $61,627. With the levy doubled to one cent per acre in 1945, the yield, including arrears, was $144,714.

In 1944 the assessable area was confined to Turner Valley. In 1945 it was extended to the Viking-Kinsella and Medicine Hat fields.

PEI Drops Spuds Prefers Dairying

From Our Own Correspondent

CHARLOTTETOWN — Prince Edward Island's well known nickname of "Spud Island" has become a misnomer. Agriculture Minister, W. F. A. Stewart, announces that dairying has supplanted potato production as the backbone of the farm industry.

At a recent discussion with agricultural officials from the other Maritime provinces, he commented when questioned about the reputed potato shortage, that when the prices go high enough the shortage usually ends. While the Island had a substantial potato crop last year, about 75% of it will be sold as seed stock.

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Assets Exceed $64,000,000

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CONSULTING ENGINEERS, DESIGNERS, BUILDERS, AND MANAGERS OF INDUSTRIAL AND MINING OPERATIONS

• NEW BUSINESS - - - - $11,589,106
(Increase over 1944—$2,894,885)

• GAIN IN FORCE - - - - $ 8,889,678
(Increase over 1944—$2,389,130)

• ASSETS - - - - - $16,414,800
(Increase over 1944—$1,411,970)

• POLICY RESERVES - - $13,684,658
(Increase over 1944—$1,154,329)

• INVESTMENT RESERVE - $ 240,000
(Increase over 1944—$48,511)

• UNALLOTTED SURPLUS - $ 402,015
(Increase over 1944—$49,479)

• NET INTEREST EARNED - 3.90%
(Decrease over 1944—.14%)

LOWER MORTALITY

LOWER EXPENSE RATE

Northern Life Assurance Company of Canada
R. G. IVEY, K.C., President — G. W. GEDDES, General Manager
Established 1897 — Home Office: London, Canada

PROFESSIONAL DIRECTORY

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57 Bloor Street West
Tel. Kl. 4812

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1817-1946
BANK of NEW SOUTH WALES
Head Office: Sydney, Australia
General Manager: THOMAS BAKER HEFFER
Assets £223,163,622
Branches throughout Australia, New Zealand & Pacific Islands.
London Offices at 29 Threadneedle St., E.C.2. and 47 Berkeley Square, W.1.
Agency arrangements with Banks throughout the World.

The British Mortgage & Trust Corporation of Ontario

STRATFORD

Balance Sheet, December 31st, 1945

ASSETS

CAPITAL ACCOUNT:

Office premises		$ 50,196.26
Real Estate for sale		203,394.07
Mortgages on real estate in possession or control of mortgagee: Principal		41,356.29
Mortgages and Agreements for Sale:		
Principal	$694,510.83	
Interest due	832.63	
		695,343.46
Government Bonds: Principal		349,871.07
Canadian Municipal Bonds: Principal		31,355.71
Stocks owned at book value		640,228.50
Cash on Hand and in Bank		182,252.04
Advances to Estates		1,454.83
TOTAL CAPITAL ASSETS		$1,995,646.23

GUARANTEED TRUST ACCOUNT:

Mortgages:			
Principal	$2,433,004.56		
Interest due	3,627.94		
		$2,436,632.50	
Dominion Government Bonds: Principal		3,685,081.81	
Provincial Government Bonds: Principal		363,543.41	
Canadian Municipal Bonds: Principal		55,963.73	
Stocks owned at Book Value		1,245,875.00	
Cash on Hand and in Bank		78,170.94	
TOTAL GUARANTEED TRUST ASSETS			$7,865,267.39

ESTATES DEPARTMENT:

Estates, Trusts and Agency Funds	$ 766,235.95
	$10,627,149.57

LIABILITIES

CAPITAL ACCOUNT:

Capital Stock Fully Paid Up	$1,000,000.00
General Reserve Fund	850,000.00
Reserve for Taxes	44,308.98
Profit and Loss Credit Balance	60,689.99
Dividends Payable 2nd January, 1946	40,000.00
All Other Liabilities	647.26
TOTAL CAPITAL LIABILITIES	$1,995,646.23

GUARANTEED TRUST ACCOUNT:

Guaranteed Investment Receipts—		
Principal	$3,978,631.87	
Interest Due and Accrued	39,576.12	
		$4,018,207.99
Trust Deposits— Principal and Interest		$3,847,089.40
TOTAL GUARANTEED TRUST LIABILITIES		$7,865,267.39

ESTATES DEPARTMENT:

Estates, Trusts and Agency Funds	$ 766,235.95
	$10,627,149.57

NELSON MONTEITH, *President.*
W. H. GREGORY, *Managing Director.*

THE WEEK'S QUOTATIONS

Quotations here listed are the official stock exchange prices for listed stocks, including curb market quotations. For unlisted stocks, quotations by unlisted dealers are given. The Financial Post cannot accept any responsibility for these quotations.

WEEK ENDING FEBRUARY 11

Range 1945-46 High	Low	Div. R'te $	Feb. 9 Y'ld %		Sales	Last Feb. 4	Week end. Feb. 11 H	L	Cl'se
30	18	.80	2.9	Weston, George	1680	29¼	30	29	29¾
106	99	4.50	4.1	Do. 4½% pf n	85	105	106	105	106
30	19¾	1	4.2	Wilsils	795	24¼	25½	24¾	25½
11¾	7	*	...	Windsor Hotel	7	11½	11½	11½	11½
18	6	.	...	Winnipeg El. A	3695	16½	16¾	16	16¼
99¾	68½	5	5.2	Do. pref.	820	98	99¾	99	99¼
42¼	29¾	2	4.9	Woods Mfg.	10	41	42¼	42¼	42¼
26	15½	1.00	4.2	Wool Combing	330	26	24½	24	24½
18	9¾	.40	2.7	York Knitting	710	15¾	18	16	18
36½	22¼	.80	2.3	Zellers	530	35	36½	35¾	36¼
30½	26¼	1.50	5	Do. 6% pref.	825	29½	29½	28½	28½
29	27	1.25	4.3	Do. pref. 5%	145	28¼	29	27	27

†Paid in 1944. ▲N. Y. funds. *Paid in 1945. ‡Extra. ■Paid or payable in 1946. xOn arrears.

Montreal and Toronto
Week ending Monday close

Winnipeg and Vancouver
Week ending Saturday close

Mining Stocks

Oil Stocks

* Paid in 1944. * N. Y. Funds. † Paid in 1945. x Extra. ■ Subj. appr. F.E.C.B. Paid or payable in 1946.

Volume of Stock Sales

	Montreal	Toronto	Vancouver	New York
Feb. 12	205,800	1,335,000	100,172	....
Feb. 11	291,100	2,131,000	217,394	2,230,000
Feb. 9	......	....	......	1,430,000
Feb. 8	331,800	2,714,000	305,394	2,090,000
Feb. 7	344,400	2,658,000	259,163	2,300,000
Feb. 6	311,800	2,829,000	294,894	2,880,000

STOCKS NOT TRADED THIS WEEK

Government Bonds

Feb. 12, 1946

(Supplied by Investment Dealers' Assoc. of Canada)

%	Due	Bid	Ask.
Victory Loans:			
3	June 1951	105¼	106
3	Mar. 1954	105¼	106
3	Nov. 1956	104¾	105½
3	May 1957	103¾	104¾
3	Jan. 1959	103½	104¼
3	June 1960	103½	104¼
3	Feb. 1962	103¼	104¼
2	Dec. 1946	100¾	101¼
2¼	Mar. 1948	101½	102
1½	May 1946	100¼	100¾
1½	Nov. 1946	100½	102
1½	May 1947	100½	102
1½	Mar. 1948	100½	102
1½	Nov. 1948	100¾	101
1½	Nov. 1950	100¼	100¾
3	Oct. 1963	103½	104¼
3	Sept. 1966	103½	104¼
Dom. of Canada Bonds			
3¼	Nov. 1951	104	104¾
4	Oct. 1952	103¾	104⅓
3¼	Feb. 1952	105½	106
3	Oct. 1952	103¾	104½
3	June 1955	103⅓	103¾
4½	Nov. 1956	102 1/5	102¾
4½	Nov. 1957	104¾	105½
3	June 1958	103½	104¼
4½	Nov. 1958	106¾	107 1/5
4½	Nov. 1959	108¾	109½
3¼	June 1966	105	105¾
3	Perpetual	103	104
Dom. Guarant'd Bonds			
Can. Nat. Railways:			
3	Jan. 1959	102¾	...
4½	Sept. 1951	127	...
4½	Feb. 1956	135	...
4½	July 1957	137	...
3	Feb. 1953	102¼	103
4½	June 1955	135	...
3	Feb. 1954	117	118¼
5	Feb. 1970	129	...
5	Oct. 1969	128½	...
Can. Natl. W. Ind. S.S.:			
5	Mar. 1955	135	...
Grand Trunk Pacific Rly.:			
3	Jan. 1962	119½	...
4	Jan. 1962	131¼	...
Provincial Govt. Bonds			
New Brunswick:			
3	Oct. 1951	100¼	102
3½	Aug. 1949	100¾	102
3½	June 1956	103¼	104¾
4½	Apr. 1961	131	...
5	Jan. 1960	135½	...
Nova Scotia:			
3	Jan. 1952	102½	105
3½	June 1956	103	104½
3½	Nov. 1950	105	106½
4½	Sept. 1952	114½	...
4½	Nov. 1960	133	...
5	Mar. 1960	138	...
Ontario:			
3	Apr. 1948	100	...
3	Nov. 1950	101¼	102¼
3¼	Nov. 1951	103¾	105¼
3¼	May 1955	104¾	106
4	June 1962	131	...
4½	June 1950	108¾	110¼
4½	Jan. 1962	137	...
5	Oct. 1948	107¼	108¾
5	Dec. 1960	139	...
5½	July 1946	101	102¼
Ont. Hydro Commission:			
3	Aug. 1948	100	101½
3½	Feb. 1953	103¾	105¼
3½	Apr. 1947	101¼	102¼
Prince Edward Island:			
4	Mar. 1954	104	106
Quebec:			
3	Nov. 1947	101¼	102¾
3½	Mar. 1948	102	103½
3½	Mar. 1959	104	106
4	Nov. 1952	105½	107
3¾	Feb. 1955	105½	107
4½	Aug. 1958	112¾	115
4½	Jan. 1963	118¼	119½
Alberta:			
3½	June 1964	101½	...
3½	June 1966	101¼	...
3½	June 1968	107¾	...
3½	June 1972	107¼	...
3½	June 1978	106¾	...
British Columbia:			
4	Dec. 1957	123¼	...
4½	Jan. 1951	121½	...
4½	Oct. 1953	125	...
5	Apr. 1954	129	...
6	Feb. 1947	102¼	104
Manitoba:			
4	Man. 1957	123½	...
4½	Dec. 1956	128	...
5	Dec. 1959	136½	...
5	Oct. 1955	117	119
6	Apr. 1947	103	104¾
Saskatchewan:			
4	Sept. 1954	100¼	102¼
4	Nov. 1960	101	103
4½	Oct. 1951	114	...
4½	Mar. 1960	115	...
5	Aug. 1958	107	110
5½	Oct. 1952	106¾	108¾
6	Mar. 1952	108	111

Unlisted Stocks

(Compiled from quotations by Kippen & Co., Inc., Plaxton, MacDonnell & Co., and Kamm, Garland & Co.)

Feb. 11, 1946

	Bid	Ask
Abitibi, new com.	15.00	16.00
Abitibi, new $1.50 pf.	18.00	19.00
Allens Toronto units	38.00	....
Anglo Can. Telephone A	11.00	....
British Mortgage and Trust	153.00	....
B. C. Sugar	94.00	97.00
Canada Machinery com.	12.00	14.00
Canada Paving 1st pfd.	7.50	....
Canadian Airways	2.50	....
Canadian Fairbanks com.	33.00	....
Can. Ingersoll Rand	63.00	....
Can. Investment Fund	5.00	5.35
Can. Investors Corp.	7.50	9.00
Canadian Motor Lamp A	9.50	11.00
Can. West Nat. Gas pfd.	106.00	....
Capital Trust Co. $100 par	63.00	....
Capital Wire Cloth com.	6.00	....
Capital Wire Cloth pfd.	23.00	....
Cawthra Apts. units	4.90	....
Chase, A. W., units	31.00	....
Colonial Steamships com.	88.00	92.00
Commercial Finance com.	10.00	....
Commercial Life 10% paid	7.00	....
Commonwealth Inter. Corp.	4.06	4.49
Confederation Life Assoc.	140.00	150.00
Continental Life 20% pd.	35.00	....
Detroit International Br.	32.00	35.00
Dover Industries Ltd.	10.50	12.00
Dunlop Tire pfd.	25.50	26.50
Empire Life Ins. 25% paid	15.50	18.00
Federal Foundries & St., c.	3.40	4.00
Foreign Power Sec. pfd.	15.00	20.00
Galt Brass com.	27.00	....
Goderich Elevator & Trans.	15.00	17.00
Great Lakes Power pfd.	114.00	117.00
Great West Life	365.00	....
Guardian Realty pfd.	29.00	....
Guaranty Co. of N. Am.	200.00	....
Guelph and Ont. Svgs. $50	53.00	55.00
Gurney Foundry pfd.	2.75	3.25
Halifax Insurance	17.00	18.00
Hart Battery com.	7.00	10.00
Inter. Utilities $3.50 pfd.	56.50	59.00
Lambton Loan & Inv. $50	53.00	....
Loblaw Groc. Inc.	21.25	22.50
London & West. Trust $100	76.00	....
Manufacturers Life Ins.	275.00	300.00
Maxon Food Systems	7.00	10.00
Midland Loan & Svgs. $10	17.00	20.00
Monarch Life Assoc. 20%	64.00	68.00
Monarch Mtge. units	3.50	....
Montreal Island Power	....	42.00
Montreal Trust Co.	86.00	....
Morrison Brass com.	3.50	4.50
Mountainview Apts. pf.	8.50	....
National Drug & Chem. c.	5.00	6.50
National Hosiery pfd.	4.00	5.00
National Hosiery com.	4.50	....
New Brunswick Tele.	13.00	....
Ont. Tobacco Plant units	20.00	....
Paramount Kitchener units	53.00	....
Prov. Bank of Can. (new)	13.00	13.75
Provincial Paper pfd.	109.50	111.00
Prudential Trust	6.00	8.00
Ruddy, E. L., pfd.	145.00	....
St. John Drydock pfd.	105.00	....
Sawyer Massey com.	1.50	3.00
Seiberling Rubber com.	8.00	....
Sincennes McNaughton T.	2.00	3.00
Sherbrooke Trust	130.00	....
Sovereign Life Assce. 25%	30.00	....
Standard Fuel pfd.	98.00	100.00
Standard Fuel com.	1.50	....
Sun Life Assce.	570.00	....
Third Can. Gen. Inv.	4.00	....
Toronto Carpet pfd.	98.00	....
Toronto General Ins.	5.75	6.75
Trusts & Guarantee $100	93.00	98.00
United Farmers Co-op	3.00	4.00
United Steel A pfd.	26.00	27.50
Victoria Trust & Svgs.	109.00	....
Waterloo Mfg. com.	10.25	....
Western Assurance com.	60.00	63.00
Western Grain com.	2.50	3.25
Western Grain pfd.	52.50	54.50
York Trading com.	5.50	7.00

Significant Investors' Index Numbers

(Base 1935-39=100)

No. of Securities	Mach. and equip. 10	Pulp and paper 7	Milling 4	Oils 4	Textiles and clothing 10	Food and allied prod. 13	Beverages 8	Bldg. mater. 16	Power and traction 14	Banks 8	Total utilities 18	Total co's. 100
*1935 to date:												
High	167.4	253.5	149.7	123.7	182.4	127.8	359.7	153.4	146.2	121.3	148.5	134.1
Low	69.7	51.6	61.2	41.2	78.4	73.5	79.3	66.7	60.2	60.0	65.2	61.1
1945: Monthly Figures:												
Jan.	120.7	149.9	108.7	74.8	135.5	105.8	175.5	102.4	99.3	90.0	107.7	89.4
Feb.	122.8	154.0	108.4	77.9	136.2	106.8	184.9	103.0	100.9	89.5	111.6	92.9
Mar.	123.1	152.4	102.4	79.1	136.3	106.2	182.0	102.6	100.7	90.0	110.4	93.2
Apr.	123.1	147.4	106.4	77.8	136.5	107.1	194.4	104.7	101.6	89.6	112.4	94.2
May	131.6	151.3	110.1	78.9	140.8	105.7	202.6	107.8	102.8	90.1	115.0	97.6
June	138.2	160.5	117.2	82.8	149.7	107.6	212.1	116.9	109.7	96.6	126.5	102.5
July	137.0	155.3	11[illegible].9	79.7	150.4	110.7	212.0	117.1	107.4	99.1	125.0	100.5
Aug.	137.6	155.6	112.2	78.5	151.3	110.5	215.2	118.2	104.5	98.5	121.7	99.6
Sept.	138.6	169.3	115.1	77.9	153.4	113.7	226.0	122.2	108.4	98.1	124.7	102.0
Oct.	141.3	183.8	115.6	77.0	153.9	115.6	266.2	127.4	107.9	98.9	124.6	104.2
Nov.	145.2	201.5	121.9	79.0	167.1	116.6	289.7	131.3	108.0	100.2	126.0	107.2
Dec.	155.1	226.6	127.5	81.5	173.8	116.7	305.3	138.5	114.7	107.5	135.9	112.5
1946: Weekly Figures:												
Jan. 3	156.5	244.1	126.7	82.1	178.3	119.2	331.9	142.1	117.7	114.0	140.3	115.0
Jan. 10	166.3	253.1	128.9	89.8	181.9	121.6	346.6	146.3	127.1	117.1	148.5	121.5
Jan. 17	167.4	253.5	130.9	91.8	182.4	127.8	359.7	148.9	124.7	121.8	148.3	124.1
Jan. 24	168.4	249.7	130.7	90.3	183.3	129.8	362.1	148.0	125.6	121.5	149.0	123.9
Feb. 7	173.6	251.5	133.6	86.5	190.3	131.7	345.9	153.6	125.1	126.4	148.0	124.3

*High and low for years from 1935 to date inclusive are based on weekly figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indust.	20 Golds	10 B.M.	15 W.O.
Feb. 12	189.22	145.27	103.96	31.13
Feb. 11	189.83	146.10	105.26	32.03
Feb. 9	.....	.....	.....	.....
Feb. 8	190.93	147.18	106.60	32.69
Feb. 7	190.61	146.95	106.13	32.81
Feb. 6	193.09	147.31	107.55	32.69
Month ago	186.64	143.61	102.90	31.95
Year ago	134.69	119.25	74.79	28.81
1945-46 High	193.34	147.31	109.20	33.69
1945-46 Low	131.90	107.98	72.49	26.35

Montreal Stock Exchange Average

	10 Util.	20 Ind.	20 Comb.	10 Pprs.	15 Golds
Feb. 12	78.7	133.3	115.1	323.15	117.90
Feb. 11	79.0	134.1	115.7	328.31	116.73
Feb. 9	....	....	....	.....	.....
Feb. 8	79.3	136.1	117.1	334.32	116.77
Feb. 7	79.3	136.2	117.2	330.66	118.56
Feb. 6	79.4	137.3	118.0	332.59	116.81
Month ago	77.2	133.1	114.5	333.37	111.32
Year ago	59.4	94.3	82.7	190.65	89.00
1946 High	79.4	138.1	118.4	339.22	118.56
1946 Low	73.5	127.2	109.4	315.09	109.04

Dow-Jones Closing Stock Averages

	30 Indust.	20 Rails	15 Util.	65 Stocks
Feb. 12	.....	.....	.....	.....
Feb. 11	201.14	65.11	40.00	75.12
Feb. 9	202.30	66.20	39.91	75.70
Feb. 8	204.38	66.93	40.44	76.52
Feb. 7	205.09	67.54	40.54	76.89
Feb. 6	205.48	67.44	40.76	77.01
Month ago	202.97	66.44	40.25	76.01
Year ago	156.34	50.32	27.78	58.40
1945-46 High	206.97	68.23	41.74	77.30
1945-46 Low	151.35	47.03	26.15	55.88

Grain Prices

Winnipeg Grain Futures

Week to Feb. 12, 1946

Crop year from Aug. 1, 1945 High	Low		High for week	Low for week	Close Feb. 12
		Oats*			
.51½	.51½	May	.51½	.51½	.51½
		Barley*			
.64¾	.64¾	May	.64¾	.64¾	.64¾
		Rye			
2.51	1.34⅞	May	2.51	2.32¾	2.44½
2.39⅛	1.49¼	July	2.39⅛	2.23	2.34¼
1.97½	1.59½	Oct.	1.97½	1.81⅛	1.92½

*At ceiling.

Cash Quotations

	For Week Feb. 12 High	Low	Prev. Week High	Low
Oats*				
2 C. W.	.51½	.51½	.51½	.51½
3 C. W.	.51½	.51½	.51½	.51½
Barley*				
1 Feed	.64¾	.64¾	.64¾	.64¾
2 Feed	.64¾	.64¾	.64¾	.64¾
Rye				
2 C. W.	2.52½	2.34½	2.34⅛	2.21

*At ceiling.

Commodities

	Latest week	Previous week	Same week last yr.
Cattle	$12.18	$12.04	$11.35
Hogs	19.22	19.03	17.40
Copper, lb.	*.12	.12	.12
Sugar, raw, lb.	*.0374	.0374	.0374
Coffee, lb.	.09⅜	.09⅜	.09⅜
Hides	*.15½	.15½	.15½
Weekly Indices			
U. S. Labor	106.8	106.8	104.7
Dow Jones	107.00	106.38	95.87
Fishers	116.7	116.7	114.3
Monthly Indices			
Canada (D.B.S.):			
Retail (Dec.)	119.9	120.1	118.6
W'sale (Nov.)	107.2	104.2	86.0
U. S. (Oct.)	105.9	105.2	104.1
Gt. Brit. (Oct.)	169.4	169.6	166.7

Note:—The base of indices is that 1926 equals 100. †Base 1935-39 equals 100. The British index is Board of Trade converted to 1930 base.

Base of price quotations is as follows: Cattle — Steers, good over 1,050 lb., top price, Toronto. Copper-electrolytic. New York. No. 7 coffee. Rio Sugar 96 degrees centrifugal c/f New York.

*Ceiling prices fixed by the office of Price Administration.

Company Meetings

1946	Company	Place
Feb. 19	Canadian Car & F'dry	Montreal
Feb. 20	Guarantee Co. N. Am.	Montreal
Feb. 20	Jamaica Public Service	Montreal
Feb. 21	New Brunswick Tel.	Saint John
Feb. 25	Montreal Life Ins.	Montreal
Feb. 25	Trusts and Guarantee	Toronto
Feb. 28	Amalgamated Oils	Calgary
Feb. 28	Bruck Silk Mills	Montreal
Mar. 13	Woods Manufacturing	Montreal
Mar. 15	Abitibi Power & Pap.	Toronto

Mining Stocks

	Div.	Last sale	Bid	Ask
Aldermac	...	.11¼	..	..
Ashbourne	...	.13¼	..	..
Douglas L.	...	.10	..	..
Giant Y'fe C War.	...	3.20	2.75	3.75
Gold Lake	...	.03½	.07	.03
Int. Mining	...	10.00	10.00	..
Knee Lake	...	.03	.02½	.05
McGillivray C.	...	.10	.15½	.18
McVittie Graham.	...	.10	..	..
Mentor Explor.	...	2.50	.160	..
Packsack	...	.05	.03	..
Prospectors Air's.	...	.62	.62	.70
S. American G.	...	1.10	..	..
Sunlock	...	.25	..	..
Tiblemont	...	.25	..	..
Whitewater	...	.04½	..	..
Winnipeg R. Tin.	...	.00¼	.00¼	.01½
Oil Stocks				
Marvel	...	.02	..	..

†Paid in 1945. ‡Paid or payable in 1946. *N. Y. funds.

Elmac Plans Test Of 17 Anomalies

A geophysical survey by Koulomzine & Co. on the property of Elmac Malartic Mines, east Malartic, Que., has indicated 17 distinct anomalies and development plans have been formulated to test the most promising bets, The Financial Post is informed.

The survey has indicated inferentially 11 dioritic anomalies and six others. Of the latter, Anomaly T is believed to represent the Cadillac-Malartic break as it traverses the company's southern claims. A series of apparently dioritic anomalies strike into Elmac from the northwest while two smaller ones are in the mine workings vicinity. Diorite is a common host rock in Malartic.

Mine Manager A. G. Darling plans to move a drill to a location where a shear zone intersects the Cadillac-Malartic break. The second drill will be moved later to test a large diorite anomaly in the north part of the property where it is intercepted by a shear which is responsible for Elmac's known veins.

SALMITA NORTHWEST MINES reports signing a contract for 10,000 ft. of diamond drilling to probe contact shear along its reported length of 14,000 ft. at intervals of 500 and 1,000 ft. Drilling is to start on south showing, where an average of $31.34 was reported from nine channel samples.

Investment Trusts

	Bid	Asked
Affiliated Funds	4.32	5.38
Can. Int. Trust	4.50	4.95
Can. Invest. Fund	5.00	5.55
Can. Investors	8.00	9.00
Commonwealth Int.	4.03	4.43
Corporate Inv.	9.15	9.85
Trans-Canada (A)	14.55	...
Do. (B)	...	14.60

Dividends Declared

	This payment $	Date payable	Date of record
Acadia-Atlan. S. 5% pf.	1.25	Mar. 15	Feb. 20
Do., A	.25	Apr. 1	Mar. 10
Agnew-Surpass	.30	Mar. 1	Jan. 31
Do., 7% pref.	1.75	Apr. 1	Feb. 28
Aluminium	2.00	Mar. 5	Feb. 8
Do., 6% pfd.	†1.50	Mar. 1	Feb. 1
Argus Corp. 4½% p.	1.12½	Mar. 1	Jan. 31
Ang.-Can. Tel. A.	.15	Mar. 1	Feb. 8
Aunor Gold	.05	Mar. 1	Feb. 8
Banque Can. Natl.	.17½	Mar. 1	Feb. 15
Bk. of Montreal	.20	Mar. 1	Jan. 31
Bk. of Toronto	.25	Mar. 1	Feb. 15
Barber-Ellis	.12½+.12½	Mar. 15	Feb. 28
Bathurst Power	.25	Mar. 1	Jan. 31
Beaver Lumber		Apr. 1	Mar. 10
Belding-Cort	*2.00	Mar. 1	Jan. 31
Belding-Cor. 7% p.	1.75	Apr. 1	Feb. 28
Belleterre Quebec.	.10	Mar. 15	Feb. 15
Blue Top Brew. B.	.28	Feb. 28	Feb. 15
Borden Co.	†.50	Mar. 2	Feb. 15
B. C. Packers	1.00	Mar. 15	Feb. 28
Brewing Corp.	.62½	Mar. 11	Feb. 25
Bruck S. Mills	.20	Mar. 15	Feb. 15
Calgary & Edmon.	.05	Apr. 16	Mar. 19
Can. Cement pf.	1.62½	Mar. 20	Feb. 22
Can. Breweries	.25	Apr. 1	Feb. 28
Candn. Fgn. Inv.	.75	Apr. 1	Mar. 1
Can. Food Prod.	.12½	Apr. 1	Feb. 28
Do., "A"	.25	Apr. 1	Feb. 28
Do., In. Fun. Rts.	1.00	Mar. 15	Dec. 31
Can. Int. Inv. Tr. p.	5.00	Mar. 1	Feb. 1
Can. Malt	.50	Mar. 15	Feb. 15
Capital Trust	3.00	Mar. 1	Dec. 31
Commoil Ltd.	.00½	Feb. 25	Feb. 9
Confederation Life	1.50	Mar. 15	Mar. 10
Do.	1.50	Jun. 15	Jun. 10
Do.	1.50	Sept. 15	Sept. 10
Do.	1.50	Dec. 15	Dec. 10
Cinzano Ltd.	4½d	Mar. 15	Mar. 1
Do., 5½% pf.	.05	Apr. 16	Mar. 9
Circle Bar Knit.	.15+.05	Mar. 1	Feb. 15
Consumers Glass	.50	Feb. 28	Jan. 25
Con. Paper	.50	Mar. 1	Feb. 9
Corrugated Paper Box 5% pf.	1.25	Mar. 1	Feb. 1
Consolidated Pap.	.50	Mar. 1	Feb. 9
Can. Cycle 5% pf.	1.25	Mar. 30	Mar. 15
Can. & Dom. Sugar	.20	Mar. 1	Feb. 9
Can. Malting	.50	Mar. 15	Feb. 15
Candn. Locomotive	1.00	Mar. 1	Feb. 15
Can. Bread 4½% pf.	1.12½	Apr. 2	Mar. 10
Can. Bread 5% pf.	.62½	Apr. 2	Mar. 10
Can. Northern Pr.	.15	Apr. 25	Mar. 20
Do., 7% pf.	1.75	Apr. 15	Mar. 20
Can. Vinegars	.15	Mar. 1	Feb. 15
Davis Leather A.	.37½	Mar. 1	Feb. 1
Do., B	.37½	Mar. 1	Feb. 1
Dom. Bridge	.30	Feb. 23	Jan. 31
Dom. Scot. Invest. 5% pfd.	.50	Mar. 1	Feb. 20
Dist. Corp.-Seag.	.55½	Mar. 15	Mar. 1
Do., 5% pf.	†1.25	May 1	Apr. 13
Dom. Envel. 7% p.	.87½	Mar. 1	Feb. 15
Dom. & Ang. In. p.	1.25	Mar. 1	Feb. 15
Dom. Stores	.20	Mar. 15	Feb. 16
Donnacona Pap.	.25	Mar. 1	Jan. 15
Eastern Steel	.20	Mar. 1	Feb. 15
English Elec. "A".	.25	Mar. 15	Feb. 28
Equitable Life	.30	Feb. 20	Feb. 15
Federal Fire	2.50	Feb. 15	Feb. 12
Ford "A" & "B"	.25	Feb. 16	Jan. 26
Gen. Steel Wares	.20	Feb. 15	Jan. 17
Hamilton Cotton	.22½	Mar. 1	Feb. 8
Hallnor Mines	.07	Mar. 1	Feb. 8
Hudson B. M. & S.	.50	Mar. 11	Feb. 8
Imperial Tob. 6% p.	3%	Mar. 20	Feb. 12
Do., ord.	.10+.15	Mar. 30	Feb. 12
Intnl. Nickel	†.40	Mar. 30	Feb. 28
Intnl. Utilities	†.37½	Mar. 1	Feb. 15
Kerr-Addison	.05	Feb. 28	Jan. 31
L. of Woods M.	.30	Mar. 1	Feb. 6
Do., 7% pfd.	1.75	Mar. 1	Feb. 6
Lake of Woods c.	.30	Mar. 1	Feb. 6
Langley's 7% pfd.	.50	Mar. 11	Mar. 4
Do.	.50	June 11	June 4
Do.	.50	Sept. 11	Sept. 4
Do.	.50	Dec. 11	Dec. 4
Laura Secord	.20	Mar. 1	Feb. 1
Loblaw com.	†.20	Mar. 1	Feb. 14
Loblaw "A" & "B"	.25	Mar. 1	Feb. 5
Maple Leaf	.50	Mar. 15	Mar. 1
Monarch Kt. 7% p.	1.75	Apr. 1	Feb. 22
Do., 5% pf.	1.25	Apr. 1	Feb. 22
Molson's Brew.	.25	Mar. 27	Mar. 6
Montreal Cottons	1.00	Mar. 15	Feb. 15
Do., 7% pfd.	1.75	Mar. 15	Feb. 15
Montreal L. & M.	.31¼	Mar. 15	Feb. 28
J. S. Mitchell	2.50	Mar. 1	Feb. 8
McIntyre-Porc	.55½	Mar. 1	Feb. 1
MacLaren Power	.35	Feb. 28	Feb. 14
Natnl. Biscuit	†.30	Apr. 15	Mar. 8
Natnl. Bis. 7% pf.	†1.75	Feb. 2[illegible]	Feb. 8
Natnl. Pete.	.01	Mar. 15	Feb. 28
N. Scotia Pr. 6% p.	1.50	Mar. 1	Feb. 12
Noranda	1.00	Mar. 15	Feb. 15
Northern Trust	.80	Feb. 15	Feb. 1
Ogilvie Flour	.25	Apr. 1	Feb. 26
Do., 7% pfd.	1.75	Mar. 1	Jan. 25
Orange Cr. 70c pf.	.35	May 1	Mar. 30
Paymaster	.01	May 10	Apr. 10
Paton Mfg. 7% pf.	1.75	Mar. 15	Feb. 28
Do.	1.00	Mar. 15	Feb. 28
Penmans Ltd.	.75	Feb. 15	Jan. 15
Photo Engravers	.50	Mar. 1	Feb. 15
Power Corp. 6% p.	1.50	Apr. 15	Mar. 20
Do., 6% 2 pt. pf.	.75	Apr. 15	Mar. 20
Proprietary Mines.	.05	Mar. 8	Feb. 8
Prov. Transport	.25	Feb. 27	Feb. 8
Quebec Power	.25	Feb. 25	Jan. 24
Rolland Pap. 6% p.	1.50	Mar. 1	Feb. 15
Royal Bank	.20	Mar. 1	Jan. 31
Sarnia Bridge	.25	Mar. 15	Feb. 28
Seiberling Rubber.	.25	Feb. 15	Feb. 5
Sher.-Wms. 7% pf.	1.75	Apr. 1	Mar. 8
Do., ord.	.15	May 1	Apr. 10
Simpson Ltd. "A"	.50	Feb. 25	Feb. 16
Do., 4½% pf.	1.12½	Mar. 15	Feb. 16
Shawinigan W.& P.	.25	Feb. 26	Jan. 18
Silverw'd Dairies	.20+.10‡	Apr. 1	Feb. 28
Do., 40c pf.	.20	Apr. 1	Feb. 28
Southern Can. Pr.	.20	May 15	Apr. 19
Do., 6% pr.	1.50	Apr. 15	Mar. 20
H. Simon & Son	.30	Mar. 1	Feb. 2
Do., pref. 5%	1.05½	Mar. 1	Feb. 2
Stand. Chem. pfd.	1.25	June 1	Apr. 30
Std. Chem. 5% pf.	1.25	Mar. 1	Jan. 31
Stan. Paving pf.	.31¼	Apr. 1	Mar. 1
Stuart, D. A., Oil 80c. pf.	.20	Mar. 1	Feb. 15
Sylvanite Gold	.03	Apr. 1	Feb. 4
Thrift Stores 6½% pf.	8.93‡	Feb. 15	Feb. 8
Toronto Elevator 5½% pf.	.65	Mar. 7	Feb. 25
Un. Fuel 6% A p.	.75	Apr. 1	Mar. 9
Waite Amulet	.15	Mar. 8	Feb. 8
Walker-Good.	1.00	Mar. 15	Feb. 8
Do., pfd.	.25	Mar. 15	Feb. 8
Weston, G., 4½% p.	1.12½	Mar. 1	Feb. 15
Woods Mfg. Co.	.50	Mar. 30	Feb. 28

†N. Y. funds.
*Extra.
‡Subject to approval of Foreign Exchange Control Board.

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)
Feb. 12, 1946

Public Utility Issues:	Int. Rate %	Due	Bid	Ask.	Prev. Week Bid
▲Alg. Cen. H.B.R.	5	'59	64½	67	64½
†Assoc. Tel. & T.	5½	'55	113½	116	113½
B. C. Pwr.	4½	'60	103½	106	103½
B. C. Tel.	4½	'61	106½	109	106½
†Calgary Pwr.	5	'60	115	...	115
Do.	5	'64	105	107½	105
Gatineau Pwr. A	3¾	'69	116	...	116
♦Do., B	3¾	'69	104½	107	104
Gt. Lakes Pwr.	4½	'56	102½	105	102½
Do.	5	'57	102½	105	102½
*Int. Hydro-El.	6	'44	105	108	102½
L. St. Law. Pr.	3¾	'65	102	...	101½
Macl'n-Que. Pr.	4	'59	103	105½	102½
Mtl. L. H. & Pr.	3½	'56	101	103½	101
Do.	3½	'73	100½	103	100½
Do.	3½	'63	102	...	101½
†Mtl. Tramways.	5	'51	110	...	109½
†Do.	5	'55	100½	103	102½
Nat. Lt. & Pr.	4½	'61	101	...	101
N. S. Lt. Pr.	4	'57	102½	105	102½
Ottawa L.H.& P.	4	'57	102½	...	102½
Ottawa V. Pwr.	5	'59	102	...	102
†Power Corp.	4½	'59	115	117½	115
Quebec Pwr.	4	'62	102½	...	102½
*Saguenay P. A	4½	'66	113	...	113
♦Do., B	4½	'66	103½	106	103½
St. Maurice Pr.	3¾	'70	102½	105	102½
Shaw. W. & Pr.	4	'61	103½	...	103½
†Do.	3½	'70	102½	105	102½
Do.	4	'69	104	...	103½
Union Gas	4½	'50	100½	103	100½
†United Secs.	3	'52	98½	...	98
†Wpg. El. Ser. A	5	'65	99½	102	99½
Do., B	5	'65	104	106½	104
Industrial and Realty Issues:					
†Abitibi P & P C.O.D.	5	'53	117	119½	117
Acadia-Atlantic Sugar	3¾	'65	101	...	100½
†Alta. Pa. Grain	6	'46	110	...	110
Algoma Steel	5	'48	101½	104	102
†B. C. Pulp & P.	6	'50	106	...	106
‡†Do.	7	'50	101	103½	101
*Brown Co.	5	'59	109½	112	108½
Burns & Co.	5	'58	100	102½	99½
Canada Cement.	4½	'51	102	104½	102
Canada Electric.	4½	'65	101½	...	101½
Can. Steamship	3½	'57	100½	103	100
‡Can. Locomotive	6	'53	105	...	103½
‡†Can. Vickers	6	'47	107	109½	107
Can. Pac. Rly.	3½	'51	103½	105½	103½
Do.	4	'49	105½	107½	105½
†Consol. Paper	5½	'61	109½	112	109½
Dom. Coal	4½	'52	101	103½	101
Dom. Scott Inv.	4	'52	101	...	101
Dom. Stl. & C.	6½	'55	110	...	110
Dom. Woollens	5	'64	102	104½	101½
†Donnacona Pap.	4½	'56	108½	111½	108
*Dryden Pap.	6	'49	108	...	108
Famous Players	4½	'51	101½	104	101½
†Federal Grain	4	'64	101	103½	100½
*Great L. Pap.	5	'55	111	113½	111
*Gurney Fdry.	5½	'49	102	...	102
‡Gypsum Lime	5½	'48	109½	112	109½
Ham. Cotton	3¾	'59	99½	...	99½
Inter-City Bak.	5½	'48	101	...	101
Indust. Accept.	4	'52	100½	103	100½
Ins. Ex. Bldg.	3	'51	91½	...	91
*Inter. P. Nfld. (Bowater's P&P)	5	'68	110	...	110
*Inv. Bond & Sh.	5	'47	97	100	97
Lake St. J. P.	5½	'61	103½	106	103
Do.	5	'61	102½	105	102
Legare	6	'61	100½	...	100½
Maple-L. M.	3¾	'63	100½	...	100
Man. Sugar	5	'60	103	106	103
Massey-Harris	4½	'54	103	105½	103
McColl-Fron.	4½	'49	101½	104	101½
McCormicks	4	'52	101	...	101
Mercury Mills	5	'59	100½	103	100½
Moirs Ltd.	6	'53	100½	...	100½
‡Mtrl. Drydocks	6	'48	100	103	100
Montreal Apts.	4	'54	97	100	96½
N. S. Stl. Coal.	3½	'63	97	100	97
Price Bros.	5	'57	103	105½	103
*Prov. Paper	5½	'47	110½	...	110½

DIVIDEND NOTICES

POWELL RIVER COMPANY LIMITED

Notice of Dividend No. 5

At a meeting of the Board of Directors held February 7th, 1946, a dividend of thirty cents (30c) per share on the issued ordinary capital stock of this Company was declared payable in Canadian Funds on March 15th, 1946, to shareholders of record at the close of business February 19th, 1946.

Dividend will be paid in respect of the shares specified in any bearer share warrants of the Company upon presentation and delivery of Coupon No. 5 at the Bank of Montreal in Vancouver, Montreal, Toronto, New York, Chicago or San Francisco on or after March 15th, 1946.

By Order of the Board.

JAMES H. LAWSON, Secretary.

Vancouver, B.C., February 7th, 1946.

ENGLISH ELECTRIC COMPANY OF CANADA, LIMITED

DIVIDEND NO. 49

Notice is hereby given that the Board of Directors have declared a dividend of twenty-five cents (25c) per share on the outstanding Class "A" shares of the Company, payable March 15th, 1946, to shareholders of record at the close of business on February 28th, 1946.

F. C. DOUGLAS, Secretary-Treasurer.

February 8th, 1946.

Woods Manufacturing Company Limited

Notice is hereby given that a quarterly dividend of Fifty Cents (50c) per share on the No Par Value Common Shares of the Company has been declared for the quarter ending March 31st, 1946, to shareholders of record February 28th, 1946, payable March 30th, 1946.

By Order of the Board.

R. M. STOTT, Secretary.

Montreal, January 23rd, 1946.

The Bank of Toronto

Dividend No. 258

Notice is hereby given that a **Dividend of Twenty-Five Cents** per share on the Paid-up Capital Stock of this bank has been declared for the current quarter, payable at the Head Office of the bank and its branches on and after the first day of March next, to shareholders of record at the close of business on February 15th, 1946.

By Order of the Board.

B. S. VANSTONE, General Manager.

Lake Shore Mines Limited

(No Personal Liability)

DIVIDEND NO. 104

NOTICE is hereby given that a dividend of Twenty Cents per share, on the issued capital stock of the Company, will be paid on the fifteenth day of March, 1946, to shareholders of record at the close of business on the fifteenth day of February, 1946.

By Order of the Board.

KIRKLAND SECURITIES LIMITED SECRETARY

Dated at Kirkland Lake, Ontario, February 1st, 1946.

UNDER THE MANAGEMENT OF POWER CORPORATION OF CANADA LIMITED

Canada Northern Power Corporation, Limited

The Board of Directors has declared this day the following dividends:

7% Cumulative Preferred Stock

No. 85, quarterly, $1.75 per share, payable April 15th, 1946.

No par value Common Stock

No. 67, quarterly, 15c per share, payable April 25th, 1946.

to holders of record at the close of business on March 20th, 1946.

L. C. HASKELL, Secretary.

Montreal, January 22nd, 1946.

POWER CORPORATION OF CANADA LIMITED

The Board of Directors has declared this day the following dividends.

6% First Cumulative Preferred Stock

No. 83, quarterly, $1.50 per share.

6% Non-Cumulative Participating Preferred Stock (Par value $50)

No. 75, quarterly, 75c per share. Payable April 15th, 1946, to shareholders of record at the close of business on March 20th, 1946.

L. C. HASKELL, Secretary.

Montreal, January 25th, 1946.

Bond Redemptions

Bond Issues:	Rate	Year	Due	Price
Can. In. Inv. Trust	5%	1959	Apr. 1	102½
‡Can. Utilities	5%	1955	Mar. 1	103
Dom. Dairies	6%	1957	Mar. 1	102½
‡Dom. Steel & C.	6½%	1955	Mar. 1	110
‡Fed. Grain	6%	1949	Feb. 23	102
Int. Paper	6%	1955	Mar. 1	105
Rio De Janeiro Trams	5%	1958	Apr. 1	par
N. S. L. & Pwr.	4%	1957	Mar. 1	103

‡All outstanding bonds.

Municipal Bonds

Feb. 12, 1946

	%	Due	Bid	Ask.	Yld. %
Halifax	3½	1965	102½	104½	3.18
Hamilton	5	1950	108	110¼	2.49
Montreal	3	1950	99.00	101.00	2.75
Ottawa	3	1953	100½	102½	2.62
Quebec	3	1964	97½	99½	3.03
†Quebec	5	1959	126½	...	...
Saint John.	5	1950	107	109	3.05
†Toronto	4½	1955	127	...	...
†Vancouver.	5	1970	132	...	...
Winnipeg	5	1950	111¾	113¾	2.73

†Payable Canada and New York.

Corporation Bonds Cont'd

Reliance Grain	4½	'52	100½	...	100½
Silv. Dairies	6	'66	101½	104	101½
Simpsons, Ltd.	3½	'60	101	103½	100½
United Corp.	4	'58	100½	103	100½
United Gr. Grs.	4½	'58	101	103½	100½
†Western Grain	5	'63	101	103½	100½

*Payable in Can. or U. S.
†Payable in Can., U. S. or U. K.
*Payable in U. S.
♦Payable in Canada only.
‡Traded without accrued interest.
▲Payable in Can. or U. K.

COMPANY REPORTS

BELL TELEPHONE CO. OF CANADA states that net increase in telephone service during 1945 was greater than any year in its history except 1941. Telephones in service at Dec. 31 totalled 1,050,113, an increase of 6.3% over 1944 but 36% over 1939. At year's end 77,000 applicants were waiting for telephones. Of the total telephones in service 71% are dial-operated. Revenue increases are as follows: local service 5.6%; long distance 16.1%; miscellaneous 16.6%; gross 9.5%.

Increase in net income was 10.4% over 1944 and although this meant no increase in retained earnings, earnings per share including refundable EPT increased 5.4%.

Outlay for new construction in 1945 amounted to $14 millions, an increase of $6 millions over the previous year. At the annual and special general meeting called for Feb. 28, 1946, the directors will ask shareholders' authority to create and issue additional bonds of an aggregate principal amount of $35 millions for any of the purposes as provided under company's trust indenture and mortgage including redemption of Series B bonds on or after June 1, 1947, should it appear to the company's advantage.

INCOME ACCOUNT

Years Ended Dec. 31:	1945	1944
Net income	$34,463,439	$31,199,552
Less: Deprec.	9,643,183	9,114,079
Bond int.	3,231,563	3,268,990
Other int.	112,733	101,727
Disc. & exp.	6,076	6,077
Amort. bd. disc.	150,428	150,425
Other charges	199,375	204,287
Inc. taxes♦	15,117,000	12,387,000
Net profit	6,003,081	5,966,967
Less: Divds.	6,897,980	6,842,628
Deficit for year	894,899	875,661
♦Incl. refund. EPT	2,301,000	1,755,000
Times Bd. Int. Earn.‡	7.20	6.32

‡Incl. other charges; after deprec. and other int.

Earnings per Share and Dividend Record:

Earned:		
Excl. ref. EPT	$6.94	$6.95
Incl. ref. EPT	9.60	9.00
Paid	8.00	8.00

CONDENSED BALANCE SHEET

As at Dec. 31:	1945	1944
Cash	$764,296	$563,967
Investments†	5,621,022	7,642,761
Accts. rec.	6,808,198	6,337,972
Inventories	4,298,059	3,603,076
Total curr. assets	17,491,575	18,147,776
Invest. secs.▲	20,924,978	18,577,705
Def. debits	2,882,266	2,899,040
Fixed assets	252,649,926	240,793,981
Total assets	293,948,745	280,418,502
Accts. & tax. pay.	13,144,345	9,327,452
Other curr. liab.	3,985,863	3,858,422
Total curr. liab.	17,130,208	13,185,874
Def. credits	2,611,165	2,231,010
Funded debt	77,211,425	77,676,919
Deprec. res.	92,384,669	84,514,592
Capital stock	86,520,800	85,835,900
Cap. stk. prem.	7,700,784	7,598,049
Cap. surplus	2,507,684	2,428,913
Earned surp.▲	7,882,010	6,947,245
†Market value	5,658,516	7,639,993
▲Incl. refund. EPT	6,43[illegible],113	4,118,000
Working capital	361,367	4,961,902

SUN LIFE ASSURANCE CO. OF CANADA, in its 75th annual report shows 978,899 individual policies and 398,438 group certificates of insurance in force, for a total of almost $3.4 billions on Dec. 31, 1945.

New life insurance paid for in 1945 totalled $241.4 millions on 66,620 new policies. The amount of new insurance was the best in the last decade. The increase was in ordinary insurance, President A. B. Wood stating that in accordance with the general experience, new group life insurance had declined.

The company's income for the year was $219 millions. Payments to policyholders and beneficiaries were $90.2 millions, bringing the total amount so paid since organization to $1.8 billions. Surplus earnings for the year after all deductions were $21.7 millions. Interest rate earned on invested assets was slightly lower at 3.51%.

Total war claims paid by the company to Dec. 31, were $8.6 millions, or only 5.1% of the total due to all causes during the period. Mortality in 1945 was favorable, although war claims were slightly heavier than in 1944.

A new scale of policy dividends effective April 1, has been approved resulting in a substantial increase except in a few investment policies, in which there will be little or no change.

	1945	1944
Insur. in force	$3,390,372,327	$3,312,525,426
New insurance	241,409,819	220,323,142
Total receipts.	219,378,690	184,815,377
Premiums	133,109,745	123,263,774
Int. divs., etc.	41,101,692	39,710,947
Policy payts.	90,226,068	80,582,922
Surp. earn.	21,685,890	22,445,133
Total assets	1,279,257,345	1,179,207,969
Surplus	56,014,102	32,261,551
Int. earned	[illegible]1%	3.65%

MASSEY-HARRIS CO. has sold to certain officers and employees of the company and its subsidiaries, rights to buy a total of 115,250 unissued common shares at $14⅞ a share, it is announced. The rights, exercisable to the extent of not more than 1/3 of the total number of shares in the three consecutive years ending Jan. 8, 1947, 1948 and 1949, expire on Jan. 8, 1949. An additional 4,750 unissued common shares may be sold to officers and employees designated by the directors, and at the market price at the time of sale.

WHEN to BUY and WHEN to SELL

The bulletin "MARKET ACTION & INVESTMENT OUTLOOK" is issued once a week. It does not give you a lot of "ifs, ands or buts", and reasons why such and such a stock is attractive or otherwise.

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DIVIDEND NOTICES

BELLETERRE QUEBEC MINES, LIMITED

(No Personal Liability)

DIVIDEND NO. 2

Notice is hereby given that a dividend of ten cents (10c) per share in Canadian currency will be paid on March 15, 1946, to shareholders of record at the close of business February 15, 1946.

By Order of the Board.

W. B. DIX, Treasurer.

Dated at Toronto, February 7, 1946.

Chartered Trust and Executor Company

DIVIDEND

NOTICE is hereby given that a dividend of 1¼% has been declared on the paid-up Capital Stock of the Company for the quarter ending March 31st, 1946, payable April 1st, 1946, to shareholders of record at the close of business March 15th, 1946.

By Order of the Board.

E. W. McNEILL, Secretary.

Dated at Toronto, January 24th, 1946.

Market Comment

Industrials broke downward this week, weighted by heavy selling pressure in the liquors and to a lesser extent in the steels. President Truman's "conserve the grain" policy hit the alcohol group a body blow.

Passing of another week without any steel strike settlement saw considerable liquidation in New York and increasing uneasiness among Canadian investors. Settlement, which last week appeared considerably discounted, could now set the market climbing quickly, most investment dealers state. Evidence of contemplated strike action in this country adds a restrictive trading note on the exchanges. Volume still dries up, however, on any sizable downtrend, revealing very eloquently the still underlying current of market optimism and the still abundant supply of free money.

Golds withstood the week's pressure better than any other group but joined the general decline on a fairly wide front on Tuesday of this week. Normally strong issues suffered along with the weak in one of the rare displays of non-discriminatory mining action.

* * *

Barrons: The Trader (New York) "Complacency, rather than rampant bullishness, is now the order of the day in the stock market. But every broker who knows how thin the market has become, with no support from professionals and only a small short interest which, because of inability to borrow stocks cannot be enlarged, is keenly aware of what may happen to complacency in the event of a mass selling movement. In disregard of the principle that 'a good investment should be a good speculation,' low interest rates, dramatized by the 2.47% return on the new Union Pacific 2⅞s, are leading a search for yields in the railroad-share group, that, as late as last summer was utterly despised. Earning power, not yield, however, dictates selling prices of stocks, and, of the over-all trend of earning power, there can no longer be any doubt."

* * *

Barron's: The Dow Theorist (New York) "While a small decline occurred in the Dow-Jones industrial and railroad averages last week, there has been no signal in the price movement of any downturn in the trends of the market under the Dow theory. The industrial average made a new bull market high Feb. 2 and the rails reached a corresponding top Feb. 5, thus giving renewed confirmation of the main uptrend. . . . It should never be forgotten, that each time the averages break into new territory, they get nearer to their ultimate turning point."

* * *

New Highs and Lows

During the week ended Feb. 11, there were 89 new highs recorded among the "general" stocks traded on Canadian stock exchanges and one new low. In the mining group there were 30 new highs and eight new lows. There were two new highs and one new low recorded by the oil stocks.

GENERAL

New Highs—1945-46

Abitibi 7%, Argus 4½% pf., Bank Can. Nation., Beath & Son, Beatty Brbs. "A", Do., "B", B. C. Packers, Brown pref., Can. North. Pwr. c., Do., pref., Can. Perm. Mtge., Can. Steamship pf., Can. Tire, Can. Bronze com., Can. Car prf., new, C. Celanese com., C. Westinghouse, Catelli Food com., Con. Div. St. Sec. p., Cons. M. & Smelt., Cons. Gas, Consumers Glass, Cosmos Imperial, Cres. Creamery, p., Crow's N. Pass C., Cub Aircraft, Dom. Magnesium, Dom. Malt com., Dom. Scot. Inv. pf., Do., com., Dom. Textile, c., Dryden Paper, Fleet Aicraft, Fraser Companies, Gatineau Power c., Do., 5% pf., Do., 5½% pf., Gen. Steel Wares c., Gt. L. P. V.T. pf., Gypsum Lime, Hamilton Bridge, Imperial Tob. pf., Indust. Accept. A, Inter-City Baking, Inter-Col. Coal c., Inter. Bronze com., Intnl. Metal Ind. 4½% pf., Intn. Nickel, Invest. Found., Jamaica P. Ser. c., John Inglis, Lang, J. A., Journal Pub. Ot., Lindsay com., Loblaws "A", Do., "B", Maple L. Mill. c., Maritime Teleg. c., Mercury Mills, Robt. Mitchell, Moore Corp. com., Molson's Brew. c., Niagara Wire, N. S. L. & Pwr. c., Ont. Steel c., Ottawa Elec. Rly., People's Credit Sec., Purity Fl'r new c., Regent Knit c., Rel. Grain pf., Royal Bank, Russell Ind. c., Shawinig. W. & P., Simpsons B, new, Do., pref., South. Can. Pwr. p., Steel of Can. c., Sterling Trust, Stowell "A" pf., Thrift Stores pf., Toronto Mortgage, United Corp. "A", Do., "B", United Fuel "B", United Steel, Western Br., Western Gro. pf., Weston, Geo., c., Woods Mfg.

New Lows—1945-46

Eastern Steel, new

MINING

New Highs—1945-46

Anglo-Huronian, Campbell R. L., Coniagas, Conwest Explor., Delnite, Dentonia, Dome, East Amphi, Goldale, Goldhawk, Hallnor, Hollinger, Howey, Jack Lake, Kerr Lake, Kirkland Lake, Lake Shore, Lunward, Nipissing, Normetals, Osisko, Parbec, Paymaster, Premier Border, Premier Gold, Quatsino Copper, Sigma, Surf Inlet

New Lows—1945-46

Kerr Addison, Kay Rand, North Inca, Northern Empire, Pitt Gold, W.-Hargreaves, Quebec Y.K., Richmac, Sannorm, Towagmac

OILS

New Highs—1945-46

Coastal Oils, Sunset Oils

New Lows—1945-46

Vermilata

DIVIDEND NOTICES

Belding-Corticelli Limited

Notice of Preferred Stock Dividend No. 125

A dividend of one and three-quarters per cent (1¾%) has been declared on the Preferred Stock of this Company, for quarter ending 28th February, 1946.

Notice of Common Stock Dividend No. 80

A dividend of one per cent (1%) has been declared on the Common Stock of this Company, for quarter ending 28th February, 1946.

The above dividends are payable on the 1st day of April, 1946, to Shareholders of record at the close of business the 28th day of February, 1946.

By Order of the Board,

D. F. POLLOCK, Secretary.

San Antonio Gold Mines Limited

(No Personal Liability)

DIVIDEND NO. 25

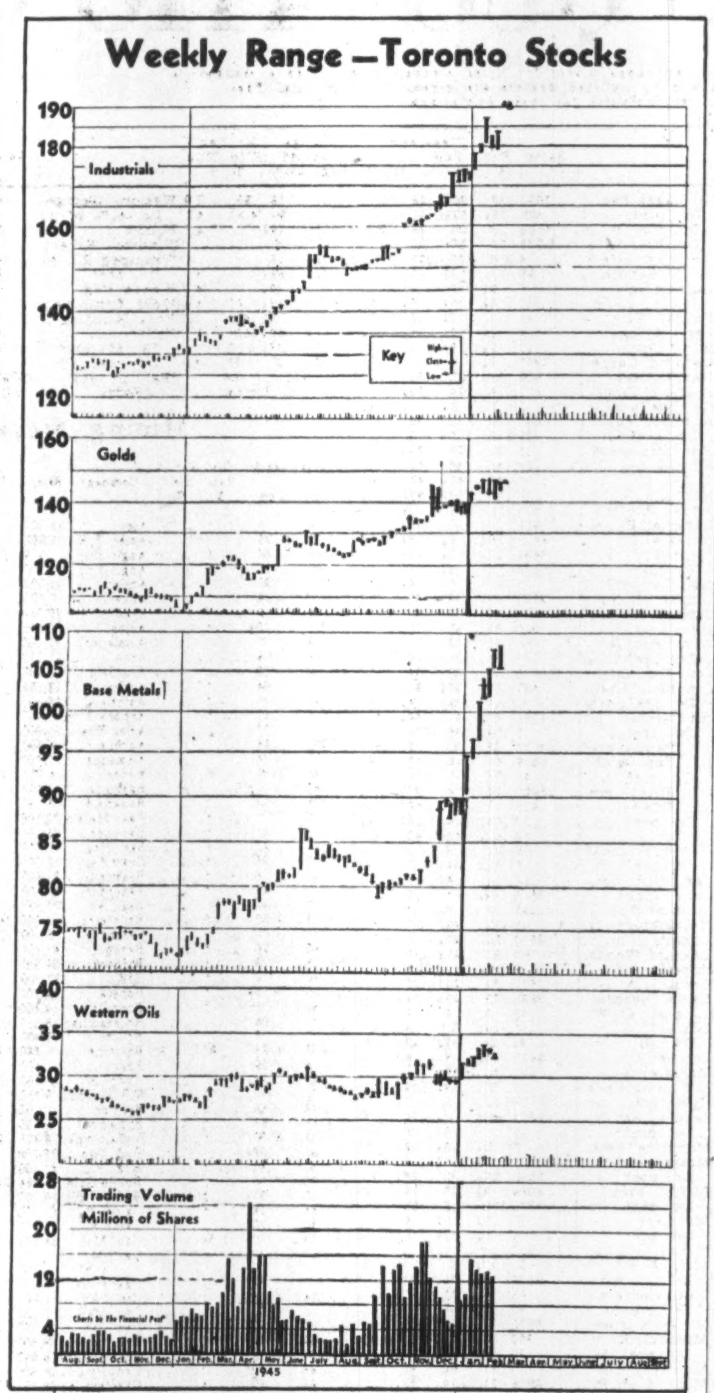
Notice is hereby given that a dividend of 10c a share has been declared on the outstanding capital stock of the Company, payable in Canadian funds, on the 6th day of April, 1946, to shareholders of record at the close of business on the 6th day of March, 1946.

By Order of the Board.

M. SNYDER, Secretary.

Winnipeg, February 9th, 1946.

Weekly Range—Toronto Stocks



Active Market In Cub Aircraft

Cub Aircraft Corp. stock was unusually active last week, trading about 14,000 shares. Stock, of which only 138,511 shares are outstanding, touched a new high since 1940 of $3.00, up $1.00 from the previous week, then eased somewhat to $2.65.

Reasons given for the active market in this issue—an improved annual statement is said about ready for release, the company's 21st civilian plane is just off the assembly line and orders are reported pouring in for additional planes. One company official says orders on hand are sufficient to maintain maximum production for almost two years . . . biggest demand, from airports and flying schools. The Cub J-3 is now selling at $2,690. Another model, the J-5 or Cub Super Cruiser, may be in production by fall. Inventory position is said satisfactory and immediate operations are in no way endangered by current strikes.

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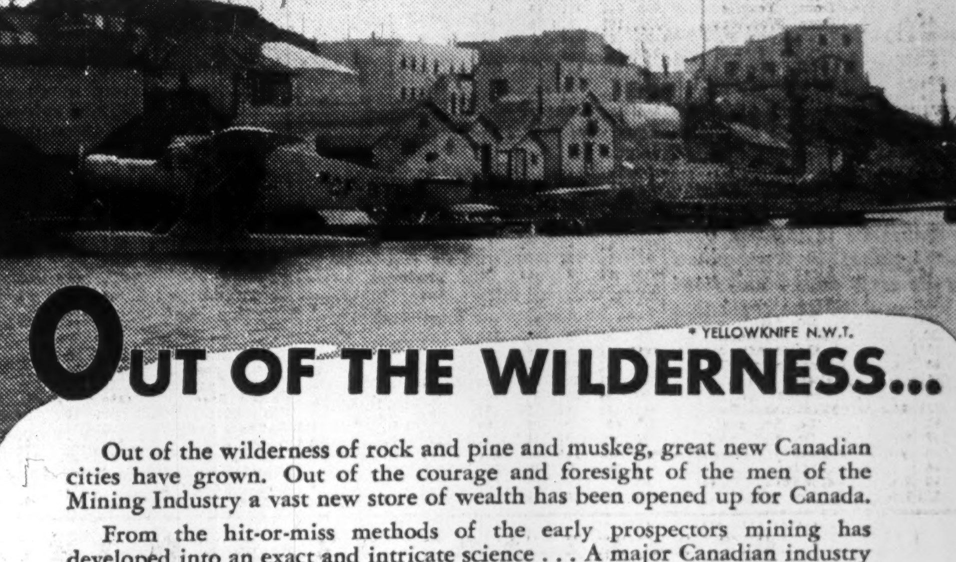
CANADA'S WAY OF LIFE - No. 6



OUT OF THE WILDERNESS...

Out of the wilderness of rock and pine and muskeg, great new Canadian cities have grown. Out of the courage and foresight of the men of the Mining Industry a vast new store of wealth has been opened up for Canada.

From the hit-or-miss methods of the early prospectors mining has developed into an exact and intricate science . . . A major Canadian industry that pays more than $100,000,000 yearly to its thousands of employees.

It has grown great because men of enterprise were willing to stake their all on their faith in the future.

For that is the pattern of Canada's Way of Life . . . A pattern that will be repeated as long as men of vision have the freedom to make their dreams come true.

★ *The Imperial Bank of Canada pays tribute to the courage and initiative of the men of the Canadian Mining Industry, and is proud to have been able to play a part in the development of Canada's natural resources.*

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IMPERIAL BANK OF CANADA
"The Ban[illegible] You"

Sun Life Completes 75 Years of Service

President Wood at Annual Meeting States Life Insurance Has Become An Important Instrument of Public Service

Many Needs Provided For

Over Half of Population Are Policyholders or Beneficiaries — Competition, the Agency System, Sane Regulations, Are Cited as Key Factors in Growth

Life assurance in Canada during the past 75 years has developed from an infant business into an important instrument of public service, Arthur B. Wood, president and managing director of Sun Life Assurance Co. of Canada, pointed out in presenting the company's 75th annual report at the 1946 meeting of policyholders.

Three-quarters of a century ago, Mr. Wood noted, life assurance service consisted of a mere promise to pay a certain sum, at death or maturity, in consideration of regular and prompt payment of a stipulated premium, subject to highly exacting conditions.

Today, as result of development in which Sun Life has played an important role, there is available a wide range of assurance plans designed to meet the particular needs of the individual. The life insurance agent no longer is merely a solicitor of business; he may more correctly be called a financial adviser well trained and fully qualified to ascertain the insurance needs of each person whom he interviews, and competent to present a definite plan suitable to the particular circumstances of his client.

Competition Important to Progress

Mr. Wood stated that three factors (apart from sound management, a prerequisite to success in any endeavor) were chiefly responsible for the development of life assurance in Canada into so important a public service role.

These three factors are:

1. **The spirit of healthy competition that has prevailed among the various Canadian assurance companies.**
2. **The attention devoted to development of the agency system.**
3. **The administration of sound life insurance laws.**

Competition in life insurance, said Mr. Wood, consists mainly in an effort to provide better service to policyholders. No company has ever had a monopoly of a new idea. Whenever a company develops a new feature which has particular merit, that feature is soon adopted by the companies generally. In addition, various companies, in order to improve their own policy contracts, voluntarily conceived and adopted many of the privileges and benefits now made compulsory by law.

Agency Force Essential

As regards the importance of a strong agency force, Mr. Wood maintained no company can hope to make much progress without a strong, aggressive and well qualified agency organization. Evidence of this was seen in the failure, or at best the very limited success, of every effort on the part of governments and private institutions to conduct the business of life insurance without agents.

Canada has been fortunate, too, in the sane system of governmental supervision and regulation under which life insurance has operated. The Dominion Insurance Act, while providing ample protection to the public, always has provided reasonable freedom of action to management in the conduct of its affairs. No company operating under Dominion Registry has ever failed to pay any policy obligation immediately on its becoming due.

"The record of life assurance," said Mr. Wood, "is one to which we may point with pride and satisfaction as an outstanding achievement under the present economic system where keen competition prevails. It affords an effective answer to any who advocate replacing our system of life assurance by one to be operated by the Government."

Big Increase in Benefits

In reviewing the development of life assurance in Canada over the last 75 years, Mr. Wood noted that in the early days policy contracts had prohibitions regarding residence, travel, occupation, military service and other acts, the breach of any one of which would vitiate the contract. There was no provision for nonforfeiture value of any kind, nor even for the revival of the policy in the event of default in the payment of a premium.

The records of the Sun Life reveal that from the outset the management of the company was in the forefront in liberalizing the terms of policy contracts.

Today all the early restrictions and prohibitions have been eliminated. Provisions covering loans, cash values and paid-up and extended assurance in case of default, have been adopted. A system of alternative methods of settlement at maturity have been worked out, under which the company continues to assume a responsibility, in the matter of payments best suited to each individual case. Disability and Double Indemnity provisions have been added.

Half of Population Covered

Assurance is now made available (under what is known as the "lien system") for persons with various physical impairments. Insurance of groups of employees under the Group Life Insurance Plan, and retirement pensions to employees by means of Group Annuities, are other important modern developments.

Growth of life assurance as a public service has been spectacular. In 1875, earliest statistics available, total assurances in force in Canada were the equivalent of only $20 per head of population. Today the figure is about $850. More than one-half of the total population of Canada and the United States now have a direct interest in life assurance either as policyholders or as beneficiaries.

Mr. Wood's address follows:

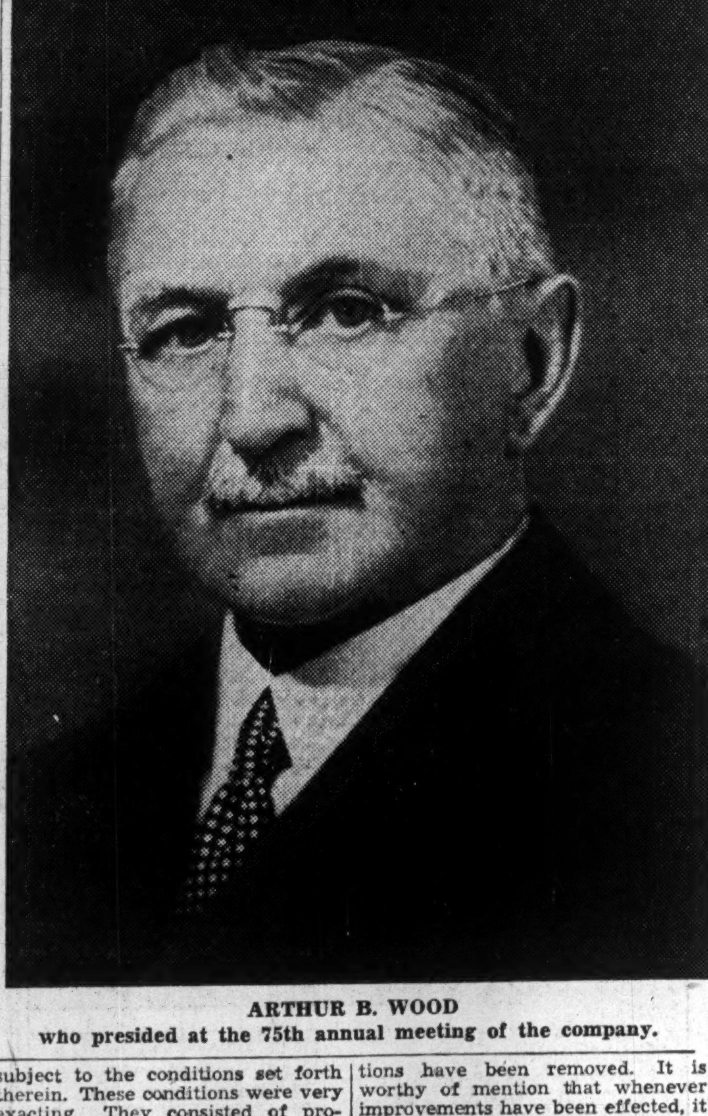
It is with much pleasure and satisfaction that I present for your consideration to-day the Seventy-fifth Annual Report of the Company.

The completion of three-quarters of a century in the field of life assurance service is an occasion of more than usual importance. It marks one of the milestones in the march of progress, when it is appropriate to pause briefly and cast our minds back over the events of the past. Time does not permit me to make anything approaching a comprehensive review of the Company's history, but before proceeding to discuss the Report for 1945 I would take advantage of the present occasion to make a few comments on the development of life assurance as an instrument of public service during the period under consideration. In this development our Company has played an important part.

When the Sun Life Assurance Company of Canada issued its first policy in 1871, life assurance had been practised in Great Britain for over a century, and in this country for many years. The business, however, was still in its infancy. This can best be illustrated by the development that has since taken place in the policy contract.

Early Protection Limited

The Sun Life's first policy form, typical of those then in general use, was a simple document printed upon a single sheet of paper. It consisted of a mere promise to pay the sum assured at death or maturity in consideration of the regular and prompt payment of the stipulated premium,



ARTHUR B. WOOD
who presided at the 75th annual meeting of the company.

subject to the conditions set forth therein. These conditions were very exacting. They consisted of prohibitions regarding residence, travel, occupation, military service and other acts, the breach of any one of which would vitiate the contract. There was no provision for a nonforfeiture value of any kind, nor even for the revival of the policy in the event of default in the payment of a premium. These conditions were undoubtedly severe, but it must be remembered that in those days little or no experience was available by which to determine a suitable charge to cover the many hazards to which the policyholder might become exposed.

From our records it is evident that the management of our Company recognized from the outset the desirability of liberalizing the terms of the policy contract. The first step in this direction, the adoption of an endorsement permitting military service in the defense of Canada, was taken during its first year of operation. Soon afterwards provisions were inserted giving the assured the right to obtain loans to pay premiums, to revive the policy in the event of lapse, and to receive a reduced paid-up policy.

Pioneered for Progress

In 1880, the 10th year of its existence, the Company took what was then regarded as a very bold step by adopting for the first time in life assurance practice a world-wide unconditional policy. All restrictions, prohibitions and limitations were eliminated and in their place a simple clause was inserted, reading "the assured may reside anywhere or engage in any occupation." This action naturally met with a popular reception, but it subjected the Company to much criticism from its competitors as being a dangerous innovation. Our favourable experience, however, afforded proof of the soundness of this liberalization, and in the course of time the world-wide policy came into general use.

Time does not permit more than a passing reference to the many improvements in the contract that appeared from time to time, all of which were the result of the constant efforts of the life assurance companies to render an ever-improving service to the public. These provisions covered loans, cash values, and paid-up and extended assurance available in the event of default in premium payments, thus securing to the policyholder the full equity in his policy at all times and under all conditions. In due course tables were inserted in all policies showing the guaranteed values available under each of these privileges.

An important development of the policy contract deserving special comment is the provision for various alternative methods of settlement at maturity. This privilege serves to illustrate how the principle of trusteeship, now recognized as fundamental in life assurance practice, has gradually developed over the years. In the early days a company considered its obligation fulfilled when it had made payment of the sum assured. It frequently happened, however, that the proceeds of the policy were soon dissipated either through bad investment or unwise expenditure.

Such experiences brought the companies to realize that their responsibility did not cease with the payment of the sum assured. They had the added duty of endeavouring to make sure that the purpose of the policy would be fulfilled. And so the practice developed of including provisions in the policy whereby the proceeds could be left with the company to be applied in such manner as might best meet the needs of each particular case. Other comparatively modern features which I will merely mention are the Disability and Double Indemnity provisions which may now be included as part of the life assurance contract.

Restrictions Now Removed

Thus by a process of gradual development the present day policy contract has evolved. From one single sheet it has developed into a document covering several pages in which the various privileges and benefits to which the assured is entitled are clearly explained, and from which all burdensome restrictions have been removed. It is worthy of mention that whenever improvements have been effected, it has been the Company's practice to make them retroactive to existing contracts as far as practicable.

In the early years plans of assurance were limited to a few standard forms. To-day there is available a wide range of plans designed to meet the particular needs of the individual. The life assurance agent is no longer merely a solicitor of new business. He may more correctly be called a financial adviser well trained and fully qualified to ascertain the insurance needs of each person whom he interviews, and competent to present a definite plan suitable to the particular circumstances of his client.

An interesting illustration of the extension of life assurance service is the development that has taken place in the science of underwriting risks. In the early days the general practice was to accept or reject applicants according to the evidence disclosed by the medical and other reports. Lives considered to be below the average as risks were thus deprived of the protection of life assurance. Early in its history the Sun Life of Canada adopted a definite plan known as the "lien system" for the assurance of under-average lives. It was an innovation in insurance practice on this continent, but a sound and practical method of meeting an important public need. The practice of insuring sub-standard lives on special terms gradually extended and to-day is in general use.

More Recent Developments

Acting individually and collectively, the companies have now accumulated statistical data covering a wide range of impairments, thus making possible a great extension of the benefits of life assurance service. Other important modern developments in life insurance practice particularly worthy of mention are the insurance of groups of employees under the Group Life Assurance plan, and the method of providing for retirement pensions to employees by means of Group Annuities.

This cursory review, though dealing with but a few aspects of life assurance service, is sufficient to illustrate how it is constantly being extended to meet the public need. The growth of the business has been spectacular. The earliest statistics tabulating the life insurance in force in the Dominion of Canada appeared in 1875, the year in which the Dominion Insurance Department was established. At that time total assurances in force in Canada were the equivalent of only $20 per head of population. To-day the figure is about $850, while in the United States it is more than $1100. More than one-half of the total population of Canada and the United States of America now have a direct interest in life assurance either as policyholders or as beneficiaries.

During the first ten years of the Company's history its operations were confined to Canada and progress naturally was slow. In 1880 the decision was made to look further afield, the first venture abroad being the establishment of agencies in the West Indies. As the years passed it gradually extended its field of operations to many other countries, to South America, Central America, the Far East, Great Britain and other British countries, and in 1895 it entered the United States of America.

A World-wide Company

Thus the first twenty-five years in the history of the Sun Life of Canada was the period during which the foundations were laid for its future growth. Its rapid expansion during the past half century has been due in large measure to the international character of its operations. The following table shows its position at various times:

At end of Year	Age of Company	Assurances in Force	Assets
1880 ..	10 years	$3,897,139	$473,632
1895 ..	25 years	34,754,840	5,365,770
1920 ..	50 years	487,677,015	114,839,444
1930 ..	60 years	2,924,435,441	588,733,631
1945 ..	75 years	3,390,372,327	1,279,257,345

Particularly impressive is the growth during the past fifteen years, a period which has witnessed the greatest depression of all time, followed by the greatest war in the history of the world.

The business to-day is distributed as follows: 32% in Canada, 40% in the United States of America, 22% in Great Britain and other British countries, and 6% in foreign countries.

Since the foundation of the Company there has been distributed in payments of all kinds to policyholders under assurance and annuity contracts $1,800,672,431.

Reasons for Growth

And now we may well ask what factors in particular have been responsible for the remarkable development of life assurance. Apart from sound management, which is a prerequisite to success in any endeavour, the answer in brief is, the spirit of healthy competition that has prevailed among the companies, the attention devoted to the development of the agency system, and the administration of sound life insurance laws. Competition in life insurance consists mainly in the effort to provide better service to policyholders. This is well illustrated by the picture I have presented of the development of the policy contract. And it may be remarked that no company has ever had a monopoly of a new idea. Whenever a company develops a new feature which has particular merit, that feature is soon adopted by the companies generally. It is also worthy of note that many of the privileges and benefits contained in present-day policies, and now made compulsory by law, were first conceived and adopted voluntarily by some company for the purpose of improving its own policy contract.

As regards the agency force I need merely say that it is now well recognized that without a strong, aggressive and well qualified agency organization no company can hope to make much progress. This is clearly borne out by the failure, or at best the very limited success, of every effort on the part of governments or private institutions to conduct the business of life assurance without agents.

Sane Regulation Important

The third important factor that has contributed to the fine record of Canadian life assurance is the sane system of governmental supervision and regulation under which it has operated. The Dominion Insurance Act, for example, while providing ample protection to the public, has always afforded reasonable freedom of action to management in the conduct of its affairs. It is a noteworthy fact that no company operating under Dominion Registry has ever failed to pay any policy obligation immediately on its becoming due.

The record of life assurance is one to which we may point with pride and satisfaction as an outstanding achievement under the present economic system where keen competition prevails. It affords an effective answer to any who advocate replacing our system of life assurance by one to be operated by the Government.

With this background I will now proceed to comment upon the Report for 1945, a year of remarkable progress.

New Business Up 14%

Life Assurances—The volume of new life assurance secured during 1945, $241,409,819, is composed of $213,662,421 of ordinary assurance and $27,747,398 of group assurance. It is gratifying to note that the new ordinary assurance increased by 14 per cent as compared with 1944, and represents the best year in the last decade. Considering the substantial reduction in the numerical strength of our Agency Organization during recent years, this achievement is particularly noteworthy. In accordance with general experience there was a decrease in the volume of new group life assurance, due largely to reduced employment in industrial organizations engaged in war production and now in the process of readjustment to peacetime conditions.

Annuities—The sale of annuities to provide an income starting immediately, or at some time in the future when earning power will have ceased, is a most important branch of life assurance service which is increasing in popularity. During the year 3,044 individual annuity contracts were issued, and in addition group annuities covering 2,570 employees. The two classes combined provide for immediate or prospective payments totalling $3,543,891 per annum. In order to obtain some idea of the relative values of annuities and assurances, an annuity may be regarded as the equivalent of an assurance policy maturing at the age when the annuity vests, for an amount sufficient to provide such annuity. On this basis the new annuity business secured during 1945 is the equivalent, roughly, of $45,000,000 of life assurance.

Business in Force

Life Assurances—The volume of life assurance in force has increased to $3,390,372,327. The increase in ordinary assurance was $103,599,849, the largest recorded for more than a decade. A decrease of $25,752,948 has occurred in the volume of group assurance in force. As the volume of group assurance protection is directly related to the level of employment, it is evident that this decrease was to be expected. It is the natural result of the readjustment in employment that is taking place during the period when industrial organizations are reconverting from a wartime to a peacetime basis. When normal conditions are restored we may confidently look for a substantial increase in the volume of group life assurance.

Annuities — Annuities in force comprise 39,889 individual policies and 220 group annuity contracts covering 46,794 employees. Payments amounting to $10,371,347 are now being disbursed annually and provision is being made for future annual payments of $37,265,767, the combined total being $47,637,114. On the basis of comparison previously suggested, this is the equivalent, we may say, of about $600,000,000 of life assurance. In my address last year I referred to our oldest annuitant, a lady who was then in her 100th year. It is a pleasure to report that this lady has now celebrated her 100th birthday and is still enjoying her Sun Life annuity. In Canada and the United States alone we now have 63 annuitants who are over 90 years of age.

Record Income Reported

In line with the growth of the business, income and expenditure items show substantial increases. Total premiums from policyholders were $133,109,745, an increase of $9,845,972 over last year. The income from all sources reached the record figure of $219,378,690, an increase of $34,563,314. Included in the income is $26,911,237 consisting of amounts left with the Company by policyholders and beneficiaries under the various privileges available to them, particularly the alternative methods of settlement.

This sum amounts to approximately 40 per cent of all death claims, matured endowments and dividends disbursed during the year. At the same time $14,144,101 was disbursed from amounts previously left on deposit under these various privileges. No better illustration could be found of the application of trusteeship inherent in life assurance practice. Payments to policyholders and beneficiaries under claims and benefits falling due during the year amounted to $90,226,067, bringing the total of such payments since the inception of the Company up to $1,800,672,431.

Company's 1945 Dollar

Again we present a chart of the type adopted last year for the first time, which has proven very effective. It shows where the life insurance dollar came from and how it was used. In the year just closed, of each dollar of revenue 70¼ cents came from policyholders' premiums and 29¾ cents from investment revenue. Out of each dollar received 88 cents was either paid to policyholders and beneficiaries or added to the actuarial reserves held to meet future policy obligations and to the other funds maintained for their security and future benefit. Taxes absorbed 1½ cents, expenses 10¼ cents, and ¼ of a cent went to Shareholders' Account.

The increase in assets, $100,049,376, is the largest in any year in the history of the Company and raises the total assets to the impressive figure of $1,279,257,345. The proportion of the assets in Government Bonds is now 52.2 per cent. This high ratio is the result of the Company's policy during the war period of applying all available funds to the purchase of bonds of Canada, the United States, Great Britain and other allied nations.

Policy Loans Lower

Our holdings of Common Stocks have been substantially reduced as the result of sales made under the favourable market conditions that have prevailed. The Policy Loan Account has continued to decline and is now at the lowest point in the Company's history. The Mortgage Account shows a gratifying increase.

All of the assets appear in the statement at book values, in no case exceeding cost. The market values of both bonds and stocks are substantially in excess of the book values, but no credit whatever is taken in the statement for this excess.

To Finance New Industry

Now that the war is over, we may expect that new avenues of investment will gradually become available and the life assurance companies will then be able to resume their important peacetime function of supplying funds to meet the investment needs of industry and commerce. As the main source of funds for long-term investment their resources are now available for the making of mortgage loans, the purchase of securities of industrial and other corporations, for the financing of public works, and so forth. We may therefore look for a gradual change in the proportions of the various classes of assets in the investment portfolios of life assurance companies.

Even at the expense of repetition I think it advisable once again to stress the fact that earnings in life assurance differ fundamentally in character from the earnings of a commercial or financial undertaking organized for profit. Because of the long-term nature of the life assurance contract the premium rates must be sufficient to ensure the fulfilment of the contract under any and all conditions. Safety margins are therefore included in the premiums to provide for adverse fluctuations in mortality, expenses and interest rates, and for unforeseen contingencies.

Under normal conditions these margins always prove to be more than sufficient and the savings realized constitute the normal surplus earnings. Out of these earnings dividends to policyholders are paid, the effect of which is to reduce the cost of their life assurance. Policyholders' dividends, in other words, are simply the return of a portion of their contributions.

Other Income Sources

There are other earnings arising from the sale and redemption of assets and other sources, to which, because of their fluctuating character, the term "non-recurring" has been applied.

The normal surplus earnings resulting from the year's transactions amounted to $21,685,890. After making provision for policyholders' dividends and credits to Shareholders' Account, and after increasing various miscellaneous reserves, the balance of these earnings, $5,496,537, has been added to surplus.

The non-recurring profits arising from the sale and redemption of securities and adjustment of asset values totalled $18,256,014, the whole of which has also been added to surplus, which now stands at $56,014,102. The contingency reserve is maintained at $15,000,000.

The combined surplus and contingency reserve over all liabilities and capital stock account is now $71,014,102, or approximately 6 per cent of the total liabilities. The desirability of maintaining a substantial surplus, particularly under present day conditions, will be referred to in the remarks which follow on the subject of interest rates.

Course of Interest Rates

The problem of declining interest rates is perhaps the greatest single issue facing the life assurance companies to-day. A gradual decline in interest rates had been taking place for several years before the war, but this has been accelerated during the war period by the low interest rate policy of the Government. In the desire to render the maximum possible aid to the Government in financing the war, the general policy has been followed of applying all available funds to the purchase of Government bonds.

In 1939 the average rate of interest earned by our Company was 4.02 per cent. In 1944 it was 3.65 per cent, and last year witnessed a further reduction to 3.51 per cent. The proportion of the Company's assets in Government bonds has increased from 19.2 per cent in 1939 to 52.2 per cent at present. Declining interest rates naturally reduce surplus earnings.

The future course of interest rates is a matter for conjecture, but the indications are that we are faced with a long period of low interest rates. Life assurance companies must always be prepared to adapt their practices to conform with changing conditions, and with the prospect of the continuance of low interest rates for an indefinite period it is sound policy to build up substantial surplus and contingency funds.

Importance of Reserves

It may become necessary, or at least desirable, to adopt a lower rate of interest than 3 per cent for the calculation of the actuarial reserves. This will involve a gradual addition to the statutory reserve fund which, with future premiums, is required to ensure the fulfilment of policy contracts as they become due. The substantial Surplus and Contingency Funds now being accumulated will be available for this purpose as well as for other contingencies.

A year ago, when announcing an increase in the scale of dividends to policyholders, I mentioned that we had been following a conservative policy in recent years in the matter of dividend distribution and that this policy would be continued during the war and until we were better able to judge the effect of post-war economic conditions. The war is now over, and a thorough study of the Company's present position, earning power and future prospects justifies an upward revision in the dividend scale.

To Increase Dividends

I have much pleasure in announcing that the Directors have approved a new scale of dividends to policyholders to take effect on the 1st April next—the commencement of a new dividend year. Most plans will receive a substantial increase, but for a few plans, where the dividend mainly depends on interest earnings, there will be little or no change.

A favourable mortality was again experienced in 1945 though war claims were slightly heavier than in 1944. While the total of these claims, $7,696,000, is a substantial sum, it represents only 4.5 per cent of the total amount of death claims during the same period. A comparison with the experience of the war of 1914-1918 is interesting. Its duration was four and a quarter years as compared with approximately six years for the Second World War. The total of our assurances in force at that time was about one-tenth of the present amount.

In World War I, the total war claims including deaths in the armed forces due to natural causes amounted to $2,736,427 or 20.2 per cent of the total death claims during that period. The epidemic which followed claimed the lives of more than one thousand policyholders, involving death claims exceeding $2,000,000.

War Claims 5.1%

In World War II, the total war claims reported to the end of 1945 **including** deaths from natural causes among the armed forces amounted to $8,600,000 or only 5.1 per cent of the total death claims from all causes during the same period.

On previous occasions I have explained why it was necessary at the outbreak of war in September, 1939 to take immediate action to include a War Clause in all new policies. On the termination of hostilities, steps were at once taken to revert to peacetime practice. New policies were again issued without a War Clause and our Company took immediate action to render inoperative for the future the special war restrictions contained in policies issued during the war, thus placing these policies in the same position as those issued in peacetime.

The Staff Praised

The contribution made to the war effort by the members of our organization cannot be too highly praised. Activities too numerous to mention were carried on with the utmost devotion, and in spite of reduced staffs a high standard of service to policyholders was maintained. The members of our sales organization, whose ranks were substantially reduced by the demands of war, played a magnificent part in the various campaigns to raise funds for the prosecution of the war, and at the same time, by increased effort, succeeded in producing a satisfactory volume of new business. One thousand and seventy-six members of our organization enlisted for active service, many of whom have been decorated for valour. I regret to report that forty-four of our associates have been killed or have died in the service of their country. We extend our deepest sympathy to those who have been bereaved. Many of our members have already returned to the Company and we look forward to extending a most cordial welcome to those who have not yet been discharged.

Financial Position Strong

My opening remarks were devoted to some aspects of the development of life assurance. I will now close with this further observation. Many impressive facts are revealed by a study of the past history of the business, particularly its dependability, the fundamental soundness of the principles on which it is based, and the facility with which it adapts its policies and practices to meet the needs of changing conditions.

During the past seventy-five years life assurance has been confronted with every form of hazard, involving both insurance and investment risks. It has passed through periods of depression and inflation, wars and epidemics. It has experienced wide ranges in interest rates and great fluctuations in the market values of securities. Under all these varying conditions the Sun Life of Canada has never failed to meet any obligation immediately on its becoming due, and to-day it presents a picture of financial strength which is a source of pride and satisfaction to all interested in its progress, and which holds great promise for the future.

Highlights of Directors' Report

New life assurance policies paid for during the year numbered 66,620 for an amount of $241,409,819.

New annuity contracts paid for numbered 3,053, and provide for immediate annual payments of $470,298, and deferred annual payments, to commence at fixed retirement ages, of $3,073,593.

Life assurance in force at December 31st amounted to $3,390,372,327, represented by 978,899 individual policies and 398,438 certificates of assurance on the lives of employees of firms and corporations under the group plan.

Individual annuity contracts in force numbered 40,109, and in addition retirement benefits for 48,794 employees are provided for under group annuity plans. Current annual payments under these contracts amount to $10,371,347, and deferred annual payments to $37,265,767.

Premiums received from policyholders amounted to $133,109,745.99. Interest, dividends and rents amounted to $41,101,692.47. Policy proceeds and other amounts left at interest amounted to $26,911,237.71. Profits from the sale and redemption of securities and adjustment of asset values amounted to $18,256,014.22. The total income for the year was $219,378,690.39.

Payments to policyholders and beneficiaries during the year amounted to $90,226,067.77, bringing the total amount so paid since organization to $1,800,672,431.00.

Surplus earnings for the year from normal insurance operations amounted to $21,685,890.86. After making provision for policyholders' dividends and credits to shareholders, and after the further strengthening of reserves, the balance of these earnings together with the profits from the sale and redemption of securities and adjustment of asset values has been added to surplus. The surplus now amounts to $56,014,102.94 and the contingency reserve to $15,000,000.00, the combined surplus and contingency reserve over all liabilities and capital stock account being $71,014,102.94.

The assets now stand at $1,279,257,345.30.

The mortality among policyholders notwithstanding war claims has again been favourable.

Policy liabilities have been valued by the full net level premium method.

With the termination of the war, it is fitting that a special tribute should be paid to those members of our organization who, on active service and on the home front, have made their contribution to victory.

WAR CLAIMS PAYMENTS

(September, 1939, to Dec. 31, 1945)

	Number	Amount
Deaths in the Armed Forces:		
Resulting from:		
Enemy Action at Sea	301	$ 788,362
Enemy Action other than at Sea..	2,670	4,486,722
Accidents while on Duty	628	1,330,150
Total	3,599	$6,605,234
Deaths of Civilians:		
Resulting from:		
Enemy Action at Sea	166	$ 522,521
Air Raids and Other Enemy Action	162	467,702
Accidents associated with War ...	42	100,621
Total	370	$1,090,844
Grand Total	**3,969**	**$7,696,078**

GOVT. BONDS MAKE UP 52.2% OF THE TOTAL INVESTMENTS

Government Bonds		52.2%
Municipal Bonds		3.8%
Industrial Bonds		3.7%
Railroad Bonds		0.4%
Public Utility Bonds		15.2%
Total Bonds	75.3%	
Preferred and Guaranteed Stocks		1.8%
Common Stocks		8.4%
Mortgages		4.6%
Real Estate		1.4%
Policy Loans		4.6%
Cash		1.5%
Miscellaneous		2.4%
Total		100.0%

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Quebec's Vast Wartime Production Builds Foundation for New Industry

Surplus Capacity From War Job Attracts Scores of New Enterprises To St. Lawrence Industrial Zone

From being one of the most stable of Canada's economic areas—a peaceful rural fringe of industrial North America—Quebec has become an industrial nerve centre, a transmitter instead of a receiver of economic energy.

On the accompanying map are located eight developments of the past six months. All of them are of major, possibly revolutionary significance. All of them are big.

To the tourist, Quebec's combination of massive industry and minute handicrafts spells quaintness and an attraction that is difficult to resist. To the industrialist it spells opportunity, for after boosting its manufacturing output from $1 billion to $2.5 billions annually during the war, Quebec has surplus capacity to offer. With wartime industries closed down, the province's electric power as well as its manpower is looking for new work.

What kind of new industry will grow in this fertile soil is difficult to predict, but the chances are that it will be big industry, that it will be along electro-chemical or electro-metallurgical lines, that it will involve large capital investment. That has been the trend of Quebec's development since 1900, and there is every reason to look for its continuance.

Since the turn of the century, Quebec has developed as one of the two main industrial provinces in Canada—and there is ample evidence that its growth in manufacturing will continue.

In 1900, the number employed in Quebec in manufacturing was 110,329. By 1917 this had grown to 191,969; by 1929 to 206,074. In 1939 it was 220,331, and during the recent war period a peak of over 600,000 employment in manufacture was attained.

Although there has been a recession since then (324,167 on Nov. 1, 1945, latest figure available), the drop appears only temporary, as numerous new industries are planning to start operations and others are planning expansion as soon as possible.

In Montreal alone, some 100 industrial projects are waiting to get under way—delayed only by problem of getting factory space. A much larger number of manufacturing enterprises plan to expand operations as soon as they can get equipment.

The war years witnessed an exceptionally sharp advance in industrial activity. The province's advantages, of ample low-cost electric power, relatively large and diversified labor pool, ocean shipping facilities and easy access to raw materials, among other assets, made centring of war plant construction in this province inevitable, as speed in production was the major need.

The same elements which have brought about past rapid industrial development, and the expansion in the war years, still prevail, and appear likely to assure continued industrial growth in the future.

Aeronautics to Revive

Industries in Quebec which forged ahead during the war included aluminum, shipbuilding, aircraft, chemicals, shells, explosives and munitions of various types.

The munitions plants have been closed down, and aircraft manufacture also has dropped off sharply. Present relative inactivity in aircraft manufacture, however, is not expected to last; and although it may be some time before this industry is again in production at the rate during peak of the war program, considerable increase from present level is to be expected.

Certain other "war" industries, such as the shipyards, steel plants, etc., continue busy, and are likely to be active for some time, largely meeting deferred non-war orders. At the same time, the important pulp and paper industry, which dropped below war industries in recent years in respect to number employed and value of output, again is forging ahead. The newsprint industry, for instance, which last year operated at less than 76% of capacity, will average better than 85% of capacity this year, according to present expectations.

Unemployment in industrial areas this winter has been due, chiefly, to: tight building supply situation, which prevents opening up new factory space; inability to get new equipment, for repairs and expansion, for some months yet; temporary holdup of contemplated public works due to material shortages; financing uncertainties while tax and other matters still are being discussed between the provinces and Ottawa.

The large electric power producing companies have taken a leading role in attracting industrial development to the province, making ample power available at low rates, and in addition, doing much promotion work. In general, industrial development in the province has occurred in areas where electric power, as well as shipping facilities, were readily accessible. One section is the territory along the Ottawa river, centring around Hull, where power developments, paper plants, and lumber mills are among the leading industrial activities.

Montreal Big Centre

In the Montreal area, headquarters for Canada's big railroad systems, a seaboard shipping point, and not far distant from big power producing centres, textile, shipbuilding, steel products and many other industries have grown to importance. Farther east, and to the south, in the Eastern Townships section, silk, asbestos, pulp and paper, lumber, textile plants, are among those which have become major activities.

On the north shore of the St. Lawrence, the territory around Three Rivers, Shawinigan Falls and LaTuque, has become an important centre for pulp and paper, chemicals, textiles and aluminum. Quebec City, an all-year port and a distribution centre, has paper, shoes, clothing and other industries.

The Lake St. John-Saguenay region is the newest industrial area and has shown the sharpest growth. Low-cost power has stimulated development of pulp and paper, aluminum production.

Despite the closing down of war production activities, well over a third of all industrial workers in Canada still are found in Quebec province. Quebec pulp and paper mills supply nearly half of the Dominion's total, 25% of world newsprint supply. Quebec aluminum-producing facilities are among the largest in the world—productive capacity seven times higher than at start of the war, 10 times greater than when armament construction began.

Quebec's textile industry gives employment to one out of every 13 industrial workers in the province. It provides all-year-round employment, and is now as busy as at any time during the war.

About 85% of Canada's tobacco products output is centred in Quebec; nearly 70% of cotton textiles, 66% of women's factory clothing, nearly half of all railway rolling stock made in Canada, more than 60% of leather footwear.

Three Large Shipyards

The first "heavy industry" plant in North America, a forge, was set up at Three Rivers in Quebec, and ever since then, the heavy industries have been active in this province. Canada has large shipyards at Montreal, Sorel and at Lauzon (opposite Quebec City) which were important to the Dominion in the war effort, and are now busy on postwar contracts.

Although primary steel production is centred in provinces other than Quebec, the province is important as a manufacturer of many types of steel products.

Even in depression years, Quebec showed gains in number of manufacturing plants. Expansion since 1929 is indicated in following table (1943 latest figures available):

	No. of Plants	Capital $000's	Value of Output $000's
1943	9,372	2,230,620	2,852,192
1942	9,342	1,883,354	2,333,303
1941	8,711	1,700,527	1,841,088
1939	8,373	1,182,538	1,045,757
1937	8,518	1,117,772	1,046,470
1935	7,727	1,014,479	679,094
1933	7,856	1,035,339	604,496
1931	7,287	1,159,982	801,643
1929	6,942	1,243,376	1,106,475

Second Biggest Producer

Quebec as an industrial province is second only to Ontario, and well ahead of other provinces.

Relative position of Quebec is shown in the following table (1943 figures):

	No. of Plants	Capital $000's	Value of Output $000's
P. E. I.	230	3,882	9,577
N. S.	1,278	179,364	188,463
N. B.	862	111,288	140,935
Que.	9,372	2,230,620	2,852,192
Ont.	10,587	2,994,954	4,221,101
Man.	1,245	173,753	304,868
Sask.	976	60,674	152,123
Alta.	1,133	111,682	211,159
B. C.	1,961	450,360	652,046
Yukon	8	590	396
Canada	27,862	6,317,167	8,732,861

Although a handful of Quebec industries stand head and shoulders above the others in value of production, there has been a tendency toward greater diversification of industrial activities in recent years.

Chemicals Forge Ahead

Outstandingly the leading industry, in normal times, is pulp and paper. During the war, nonferrous metal production (aluminum) forged ahead temporarily, and is likely to continue as a major industry. The chemical industry had an abnormal stimulus during the war. Textiles and garments are high on the list of industries, with railroad rolling stock, shipbuilding and repairs, brass and copper products, steel products, sawmills, tobacco products, electrical equipment, boots and shoes, petroleum, breweries, among other major activities. Some 40 industries have an annual production well in excess of $15 millions.

Central electric stations, not included among the list of manufacturing enterprises, should be noted as a major contributor to employment, as well as vital to industrial activity.

Much planning has taken place in Quebec for future industrial activity. The provincial government is establishing training schools to turn out skilled workers and considerable money is to be spent on opening up new areas for exploitation of natural resources, including road building, surveys, conservation measures etc. The government has been active in efforts to bring new industries to Quebec.

City governments also have programs under way. In Montreal the Greater Montreal Economic Council, has worked out a program of future development, including public works as well as private expansion, under which it is hoped to keep employment steady over the next 10 years or so. Various factors over which municipal authorities have little control, have delayed carrying out of the development program.

Sherbrooke is building a plant, to be rented by a textile company, to help in employment. Other cities are active in promotion work. Efforts have been made to develop an organization among city industrial commissioners through which co-operative efforts can be made to develop industrial activity in the province. Under the plan, cities will direct to other municipalities industrial activities which do not fit into their own particular picture, and co-operative measures will be taken to attract industrial enterprises to Quebec province.

Big Hydro Producer

Development to date of Quebec province has been outstanding. More than a half of Canada's developed hydro-electric power lies in Quebec. The province produces 25% of the world's supply of newsprint, half of the Dominion's total. All of Canada's asbestos output is centred in the Eastern Townships section of the province, and the asbestos deposits at this point have no parallel anywhere in the world, in varied types of ore and in future reserves.

Quebec produces all of Canada's chromite, a large proportion of the gold and silver, 80% of total arsenic output, as well as important quantities of selenium, titanium, zinc, mica, brick, tile and various other materials.

Quebec's gold production has been mostly from a relatively small area at the western end of the Lowlands plain, which is chiefly underlain by horizontal sedimentary rocks of the Palaeoziic age.

Although gold-copper ore was known to be present in this area, it has only been since World War I that important development has occurred. The section is now known as one of the more important gold producing areas in the world.

The sharp growth of Quebec's pulp and paper industry has been made possible by the ample supplies of electric energy that could be generated from the rivers flowing south into the St. Lawrence. For low-cost power is important to development of paper manufacture, due to the large amounts of energy required.

Timber Wealth Is Vast

Quebec still has heavy timber stands to be drawn upon. Comparing with the 68,350 square miles in the province classed as "farm land" (of which only 30,137 square miles are occupied), the province has 364,370 square miles of forested land. Of this total 296,870 square miles is classed as productive, 67,500 square miles as unproductive. And of the "farm land" area, nearly 47,000 square miles are now forested. Only Russia and Brazil have today greater forest areas than central Canada—and these territories lack certain other advantages for pulp and paper production enjoyed here.

Though Quebec has played a leading role in development of pulp and paper as Canada's leading export commodity, there are evidences that development of the forestry industries in the province is still in its infancy.

The extremely low cost of production of cellulose from woodpulp, in comparison with output from other raw materials, suggests that it would be surprising indeed if wood is ever challenged as a raw material for making paper. And the uses of pulp and paper have multiplied many times in recent years as result of research. Also, Quebec pulp and paper companies have been in the forefront in development of plastic materials from what formerly was waste in the paper making process.

During the war, specially treated papers, or paper combined with plastic materials, took the place of metals in many uses. And for peacetime, a field of tremendous potentiality appears to be just opening up in new uses and paper and plastics.

In view of the present world shortage of pulp and paper, not only are the Quebec mills almost certain to be called upon for maximum production for at least the next two or three years, but the rapid widening of uses for pulp materials suggests that a new era in pulp consumption is just starting—and Quebec is in an unexcelled position to benefit.

Quebec—The People

Nearly 75% of Canadians of French origin, nearly 60% of Canada's Roman Catholics and one third of Canada's city dwellers are in Quebec, which holds 30% of Canada's population. Here are key figures on Quebec's people:

	Quebec	Canada
French origin	80%	30%
British origin	14	50
Other	6	20
City dwellers	63	54
Roman Catholic	87	44
Protestant	11	46
Other	2	10

Quebec—The Jobs

Quebec has 1,227,000 of the nation's 4,195,000 gainfully employed. By main groups, this is the breakdown of Quebec's employment:

	Quebec	Canada
Manufacturing	28%	24%
Agriculture	21	25
Service trades	19	19
Trade	10	11
Construction	7	5
Transportation	6	7

Quebec already is well up on the Dominion average as a manufacturing centre and is building more extensively than other provinces.

Quebec—The Market

On an individual basis, Quebeckers earn and spend less than the national average. On a family basis, earnings and expenditure are about equal to the Canadian average.

	Quebec	Canada
Male earnings	$922	$998
Female earnings	429	492
Family earnings	985	960
Per 100 persons there are—		
Automobiles	5.2	10.4
Radios	11.9	13.1
Telephones	11.0	14.3
Electric meters	14.2	14.4
Retail sales	$23,300	$28,800

Quemont Values Extend Surface, Underground

Two of Surface Drill Holes Show Gold Values Exceeding a Third of Ounce to the Ton — Into Ore in Deeper Drilling From 900-ft. Level

Most outstanding of Quebec's new gold and base metal mines, Quemont Mining Corp. continues to extend its known area of ore deposition both in drilling from the surface of Osisko Lake and in testing from its workings adjacent to Noranda.

Drilling from the 215-ft. level has returned two intersections in vertical drill hole No. 214. A first intersection of 133.2 ft. just below the level ran 0.217 oz. gold, 1.37 oz. silver, 1.38% copper and 2.96% zinc while a further 89.5 ft. went 0.146 oz. gold, 0.31 oz. silver, 1.31% copper and 0.35% zinc. A flat hole a little to the north, drilled east, gave 119 ft. averaging 0.141 oz. gold, 1.10 oz. silver, 0.84% copper and 2.42% zinc.

Ore results have started coming in at the 900-ft. horizon. Hole No. 905, drilled north and down at 45 degrees from the 900-ft. level returned 30.0 ft. averaging 0.142 oz. gold, 1.98 oz. silver, 3.41% copper and 0.96% zinc. No ore was encountered in two holes drilled immediately above, but hole No. 907, drilled north and down at 70 degrees has cut 46 ft. of massive sulphides, for which assays are not yet available.

A further seven drill holes have been or are being completed from surface in the area to the east. The most westerly of these, No. 63, near the eastern fringe of the west anomaly, returned two ore intersections: 30.2 ft. averaging 0.43 oz. gold, 1.67 oz. silver, 1.63% copper and 13.60% zinc; and 50.2 ft. averaging 0.092 oz. gold, 1.05 oz. silver, 3.95% copper and 5.22% zinc. The hole was stopped at 422 ft. in diabase.

No. 64 hole, to the north and farther east in the area of the east anomaly, returned 24.7 ft. averaging 0.102 oz. gold, 0.58 oz. silver, 1.04% copper and 0.49% zinc. A further 100 ft. to the north, but 500 ft. west, another vertical hole gave 15 ft. running 0.12 oz. gold, 0.74 oz. silver, 0.45% copper and 0.40% zinc.

No. 67 hole, at the western end of the east anomaly has proved itself one of the better holes, returning 32 ft. averaging 0.341 oz. gold, 2.63 oz. silver, 1.68% copper and 0.52% zinc. Out toward the eastern end of the anomaly, another hole gave 42.0 ft. averaging 0.15 oz. gold, 1.85 oz. silver, 1.43% copper and 0.71% zinc.

Doubt If "Darker" Canadian Flour Is Key to Food Problem in U.K.

OTTAWA (Staff)—Prime Minister Attlee's cable of last week threw Ottawa, Washington and Canberra into tailspins over 1946 food stocks and shortages.

Previously, emphasis here had centred on long-run food problems, chiefly the need for boosting hog production or at least arresting the present alarming downswing.

It is not likely that Canada will have more than 300 to 320 million cwt. of bacon to ship to the U. K. in 1946. At present, marketings are 35% to 37% below this time a year ago; and a year ago they were down by a like amount from 1944. It is still hoped to better the situation by 1947.

Attlee asked that long-run feeding and other problems be sacrificed to move every possible pound of cereal to Britain and the continent in the first six months of 1946.

Acting on this highly alarmist plea, Washington issued its executive order the next day. It diverted grains from distilling plants and raised the extraction rate for bread from 73 to 80%. Almost at once, President Truman found out that the latter demand was not so simple; so he later countermanded the order, to give millers, etc., a time to state their case. Opinion here is that the higher rate may never be enforced.

Shipping Is Bottleneck

After one or two cabinet sessions, the Canadian Government took the "crisis" more in its stride.

For instance, it was discovered that physical capacity to move grain into overseas positions, rather than any other factor, was the bottleneck to what Canada could ship to Britain in the first half of 1946. Already in the first six months of this crop year, Canada shipped about 200 million bushels of wheat and wheat flour. Billed to move overseas in the second six month period (Feb. 1 to July 31) was another 140 million bushels. If any additional carrying capacity could be made available, this rate of shipment would be increased, even at the sacrifice of part of our estimated minimum carry-over of 70 million bushels.

Thus the "darkening" of Canadian bread flour by raising the extraction rate might not affect the overall supply to Britain. At the same time, it might seriously hamper the Canadian dairy industry, dependent as it is on millfeeds—the other part of the wheat kernel. Mathematically, raising the extraction rate for bread from 73 to 80% in Canada would cut by 25% the amount of millfeed available for livestock. Further, this would be the most valuable part of essential livestock feeds. It might be a disastrous loss to the Canadian dairy industry—especially if 1946 turned out to be a poor crop year. Even though current rate of extraction for domestic use is about 72% or 73% in Canada, our milling of "GR" flour for Britain is already 74% to 75%.

What's more likely, once the smoke has cleared a bit, is that some "gesture" may be made in the direction of the brewing and the distilling industry.

Drop Borrowing Plan

Also in the right direction is Canada's move in dropping butter rations for the next two months from six to four ounces a week. Just before the Attlee cable, Canada had made a deal to "borrow" 6,000,000 pounds of Australian butter from the British and to repay it later in the summer, when Canadian output was under way for 1946-47. The deal was cancelled because of possible political repercussions, and the likelihood that such a plan would be misunderstood.

Behind the proposed deal lay the fact that Australia is now at the peak of her annual production. Most of this butter will be shipped to Britain and remain in cold storage until needed. Canada was merely to "borrow" some of this and pay Britain back in the summer. Now Canada's butter ration cut may be taken as a "gesture" toward meeting the Attlee demand.

One big question which everyone asked here was why the Attlee "crisis" came so swiftly and with such impact. Two chief reasons are advanced:

1. Potential failure of the Indian rice and wheat crops, soon to be harvested.

2. Failure of the United States to make grain and other deliveries promised under Combined Food Board commitments for 1945 and 1946.

Reports from New Delhi state that India faces the prospect of famine conditions far worse than the Bengal famine of 1943 which killed off at least a million persons. India estimated at least two million tons of food imports are needed to avert such a famine. Rice production is expected to fall 1.5 million tons short of the pre-war average, and wheat even more drastically. Against this, there are five million more mouths to feed in India each year.

See Conflict In East

Involved here also are international complications. If the rice crop fails in the Far East there is bound to be a struggle between Britain's Mountbatten and U. S. A.'s MacArthur, as to whether available supplies of rice will go to feed India or China. There are signs that this struggle is already under way.

Even more immediately frightening to Britain, is the fact that promised deliveries of cereals and other foods from the U. S. have simply not been forthcoming. It is hoped that the urgent wire of last week to President Truman will bring some action and reversal of the general trend. Until last week, food shipments to Britain or UNRRA rated little or no priority on U. S. railways. A shipment of two carloads of valentines from Chicago to New York for Feb. 14 sale could easily sidetrack urgently needed foodstuffs for Europe, it is alleged.

Politically, the British may have deliberately chosen to make their bombshell announcement of last week in order to hasten action in the U. S. Reports from India are reportedly getting worse as time goes on. Britain is determined to look after this situation.

Steel Prices Will Climb If Wages Raised—Howe

OTTAWA (Staff)—Higher prices for steel in the event of wage rates going up were forecast this week by Hon. C. D. Howe, Minister of Reconstruction and Supply.

"You can't raise wages 15 or 20% and not increase steel prices," he said, in answer to a question.

Other information given out at one of the Minister's infrequent press conferences:

Canadian auto companies have produced only 2,640 new passenger cars between Nov. 30, 1945, and Jan. 31, 1946. Number of trucks shipped from Canadian plants since war controls were lifted is 7,224.

Canadian Arsenals, Ltd. program will cost about $3.5 millions annually.

Coal prospects for the rest of the season are "very difficult." Production deficiencies in anthracite may be made up by coke but the position remains very tight. Bituminous supplies, at best, will be "down to zero" by the season's end. But, "barring unforeseen developments," it is hoped to end coal control after this season.

Exports from Canada are running "far above the level required to maintain 'full' employment."

Double depreciation applications have now reached $275 millions. The Government is considering extending the date at which such work must be completed. Present dead line for tax purposes is Dec. 31, 1946.

War Assets Corp. has recovered $75 millions in sales, with January sales at $15 millions.

Renegotiation of war contracts has recovered $350 millions. The Government's over-all program for bits-and-pieces, contract renegotiation, etc., is estimated to have cut war costs by nearly a billion dollars.

Output Drops Only 3.5% In Reconversion Year

OTTAWA (Staff)—Although industry was in the midst of reconversion difficulties, gross national production in Canada in 1945 declined only 3.5%, according to preliminary figures released this week by the Bank of Canada.

The preliminary total for 1945 is placed at $11.4 billions, compared with $11.8 billions in 1944. This relatively small decline is in face of a drop in government expenditures of $900 millions or 17%. Payments for military pay and allowances are shown unchanged at $1.1 billions, while civilian salaries, wages and other labor income is slightly higher at $5.2 billions.

Comparative figures for both national production and national expenditure in the past two years are shown below. These follow the new form prepared by the Dominion Bureau of Statistics a short time ago and published then for the Dominion-Provincial Conference. As shown in these tables, total production in a national economy should equal the total of expenditures for all purposes, including investment in inventories. The figures follow:

NATIONAL PRODUCTION
(In Billions of Dollars)

	1954	1944
Salaries, wages, etc.	5.2	5.1
Military pay & allowanc's	1.1	1.1
Investment income (before corp. taxes)	1.6	1.8
Net income of indiv. enterprisers	1.8	1.9
Indirect taxes	1.0	1.1
Depreciation	.7	.8
Total*	11.4	11.8

NATIONAL EXPENDITURE
(in billions of dollars)

Net exports (financed by govt.)	4.5	1.3
Other govt. expenditures on goods & services		4.1
Other net exports	— .4	— .3
Gross private investment in Canada†	.8	.5
Personal expenditures	6.5	6.2
Total	11.4	11.8

*Gross National Products at Market Prices.

†Including investment in inventories.

In his report, Governor Towers points out that it is the first two items in the expenditure table, which comprise government outlay, that represent "the main driving force behind the very high level of activity which was attained during the war." He stresses the postwar problem as being essentially the need "to expand the other types of expenditure and particularly domestic private investment and domestic consumption, in order that there will be compensating stimulus as government outlays decline to their postwar level."

302,700 Square Miles of Forest Make Quebec Pulp Treasurehouse

Quebec, more than any other area in Canada, should be able to participate in the expanding U. S. market for wood pulp and newsprint. Potential pulp and paper production has been estimated at 12 million tons a year, or four times present production. This figure is based upon present productive forests in Quebec of 302,700 square miles of which 128,569 square miles are considered accessible. Canadian forests as a whole are estimated to be able to support 3.6 times the present industry.

In this connection Mr. Elliott Little, president of Anglo-Canadian, in reviewing the expanding postwar markets for the Canadian pulp and paper industry, and particularly the part which Quebec mills would play in this development, emphasized that the one need in Canada today was for a sound national forest conservation policy.

Markets would be available, he felt, but the extent to which Canada would participate in them depended, in the final analysis, on the type of national forest policy pursued. Views of Mr. Little follow:

In 1940, the drain on Canadian forests was caused by lumber, fuelwood, and pulpwood, in the order named, as far as the amount of wood removed was concerned. Of these three, pulpwood ranked first in value of product, lumber second, and fuelwood third. Few people realize that more cords of fuelwood are cut and consumed in Canada than are used in the form of pulpwood to keep Canada's leading industry operating.

A report issued by the Dominion Forest Service in 1943 entitled: "The Statistical Record of 1940 of the Forests and Forest Industries of Canada" indicates that Canada has a total productive forest area of 770,000 square miles. Of this total it has been estimated by the Dominion Forest Service, about 430,000 square miles are economically accessible. It has also been estimated by responsible authorities that the annual rate of growth is about 14 cubic feet per acre per year. In Scandinavian countries, where the soil, climate and growth conditions are stated to be no better than in Canada, they realize an annual growth rate of 28 cubic feet per acre per year—or twice the estimated growth rate for Canadian forests.

Aluminum starts here in the bauxite unloading and storage dock at Port Alfred, Quebec. From here the bauxite goes to the refinery at Arvida, largest aluminum plant in the world.

Depletion Exceeds Growth

Mr. D. Roy Cameron, the Dominion forester, has estimated that the depletion rate or drain on the 430,000 square miles of accessible productive forests is about 14 cubic feet per acre per year, or practically the same as the annual growth rate of Canadian forests. But Mr. Cameron also points out that the 14 cubic feet per acre per year being cut on the average from the accessible productive forests, only 10 cubic feet per acre per year are used productively, and four cubic feet per acre per year are lost or wasted through fire, disease, etc.

This 14 cubic feet per acre per year is the average rate of depletion on 430,000 square miles of productive forests which are accessible; but since not all this area is being operated, it is evident that where some of the current operations are going on, cutting rate, or depletion rate, is exceeding the annual rate of growth. If this is allowed to continue, it will mean that some of the units of the industry will run out of wood, and must ultimately go farther afield for their wood or shut down.

Just how large an industry can the Canadian forests support? Were it possible by suitable logging methods, by expanding transportation facilities, and the better location of new mills to open up the areas now considered inaccessible, theoretically the industry could increase by the ratio of 770,000 to 430,000 (the ratio of total productive forests to accessible productive forests), or 80%. This ratio is probably too high for actual performance, however, in view of the lower production rate per acre on the inaccessible lands and the fact that much of this area lies so for north and cannot be reached by commerce. A more practical ratio would be 40%.

Could Cut Wastage

In addition, if the four cubic feet per acre per year now wasted of the 14 cubic feet per acre per year drain on the forests could be eliminated by employing adequate methods of silviculture and fire protection, there would be an amount made available to the industry equivalent to another 40% of the productive forests, or the ratio of the total depletion to the useful depletion of the forests. However, this would mean the complete elimination of all waste, which would be virtually impossible to achieve. Here, perhaps, a 30% increase would be more in line. By these two steps the total accessible productive forests of Canada could be increased to such an extent that they will support an industry 1.8 times its present size.

If in the productive forests the annual rate of growth of 28 cubic feet per acre achieved in Scandinavia can be realized—and experimental work has demonstrated that this annual growth per acre can be surpassed in Canada with proper silviculture and forest management—it is within the bounds of possibility that the increase of 1.8 times to be accomplished through the opening up of new areas and the elimination of wastes in forest operations, can be further doubled. In that event, from the standpoint of the ability of her forests to produce, Canada could support a pulp and paper industry 3.6 times its present size.

That is roughly the latent possibility in Canada's forests, but it is at present a long way from being achieved. Canada has failed in the past in her handling of the forests. Whole areas have been cut over by operators in the forest industries, with insufficient thought given to selective cutting; the opening up of the forests for future operations; preserving of future growth; and protection against fire and disease. As long as the forests were seemingly inexhaustible, few people gave much thought or attention to proper care of them. Provincial and Dominion Governments as well as the forest industries accepted the returns from the forests and used them unmindful of the fact that a natural resource was being depleted — that they were living off capital, not income.

Must Safeguard Future

Now that the good stands of timber are each year moving farther from the consuming centres, and costs are consequently rising, there is growing awareness by both the forest industries and by governments of what they have done to the forests. It is being realized that forests should be considered as a crop, and the cutting of wood from the forests as a harvesting of the crop.

Whatever excuses or reasons there may have been for the past practices in the forests, they will not hold good in the future. It is vital in attaining maximum forest harvests, that more of the income derived from forests be put back into the forests. This principle is followed by any sound business; everyone sees clearly the necessity for following such a course, and accepts it without hesitation.

But nothing like that is done in the forest industries. Too little of the present forest policy is designed to protect the forests of tomorrow. Roads are built only as needed to get to the wood marked for removal and when that need has passed, they are abandoned. Dam sites are used and then forgotten. Dominion Governments over the past have taken tens of millions of dollars from the companies and individuals concerned with the primary products of the forests, and have put only a fraction of one per cent of that income back into the forests in the form of forest service and forest products laboratories.

Canada needs a national forest policy—and she needs it now—if she is to protect and maintain her forests at their present annual growth rate; she cannot hope to eliminate waste through fire and disease, and to increase the rate of growth without one. Some forest operators have taken steps to institute their own policies, but there is a universal need for a national policy; and this need must be recognized by the industries and by the Dominion and Provincial Governments, if ever any policy is to be undertaken.

Manufacturing Gives Jobs To 27% of Canada's Workers

The manufacturing industries lead as employers of labor, with agriculture a close second, according to a further breakdown of employment in Canada made available this week by the Dominion Bureau of Statistics.

According to the "sampling census" made by DBS last fall, manufacturing accounts for 27% of Canadian employment, agriculture 24%, with the remaining labor force distributed over the service trades, finance and insurance, transportation and construction. The breakdown by the DBS show that 74% of the Canadian force is represented by male labor, 26% by female labor.

Here are the details as shown by the DBS "sample" for the week of Nov. 15, 1945.

Industrial Employment in Canada
(In thousands)

	Men	Women	Total
Agriculture	888	166	1,054
Forestry, fishing and trapping	102	*	108
Mining, (including milling), quarrying, oil wells	66	*	68
Manufacturing (vegetable, animal, textile, wood and paper products)	426	178	604
Manufacturing (iron, etc., nonferrous metals, nonmetallic mineral, chemical and miscellaneous products, and electricity, gas and water production and supply)	482	90	572
Construction	172	*	177
Transportation and communication	292	40	332
Trade, finance and insurance	412	242	654
Service	368	375	743
Unspecified	40	14	54
Total	3,248	1,116	4,364

*Less than 10,000.

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COMPANY REPORTS

NEW BRUNSWICK TELEPHONE CO. reports a 9% increase in net earnings for 1945 but retained net profit at $420,318 ($416,013 in 1944) did not correspondingly increase, as depreciation and tax charges were 13% higher. Unfilled applications for service amounted to 3,750 at Dec. 31, 1945. Total telephones in service are 43,855.

INCOME ACCOUNT

Years Ended Dec. 31:	1945	1944
Net earnings	$1,349,950	$1,236,752
Less: Deprec.	415,973	410,915
Inc. & other tax.▲	513,659	409,824
Net profit	420,318	416,013
Less: Dividends	319,728	319,728
Surplus for year	100,590	96,285
▲Incl. refund. EPT.	38,705	17,100
Earnings per Share and Dividend Record:		
Earn.: Excl. ref. EPT	$0.66	$0.65
Incl. ref. EPT	0.72	0.68
Paid	0.50	0.50

CONDENSED BALANCE SHEET

As at Dec. 31:	1945	1944
Cash	$327,712	$140,100
Accts. rec.	351,967	329,144
Inventories	241,923	178,388
Total curr. assets	921,602	647,632
Misc. assets▲	289,940	250,245
Investments	1,000	1,000
Fixed assets	10,217,880	9,774,843
Total assets	11,430,422	10,673,720
Bank loan	692,000	441,730
Accts. & tax. pay.	485,000	367,743
Total curr. liab.	1,177,000	809,473
Def. credits, etc.	331,370	350,233
Deprec. res.	2,812,896	2,545,501
Capital stock	6,473,208	6,473,207
Surplus▲†	635,948	495,306
▲Incl. refund. EPT.	153,604	114,899
Deficit work capital	255,398	161,841

†Includes capital surplus of $38,460 in 1945 and $36,220 in 1944.

NANAIMO-DUNCAN UTILITIES LTD. showed a reduction in earned surplus of $17,242 ($11,228 in 1944) for the year ended June 30, 1945, as net profits of $52,683 ($52,471 in 1944) fell short of covering dividends and tax provisions by that amount.

Properties and revenues of the company were taken over by the British Columbia Power Commission on July 31, 1945. Though valuators were appointed recently no steps had been taken by Jan. 11 to appraise the company's property.

INCOME ACCOUNT

Years Ended June 30:	1945	1944
Net earnings	$291,327	$262,728
Less: Depreciation	65,702	64,660
Debt interest	24,740	24,920
Inc. tax. res.▲	142,000	114,000
Pension fund	1,724	1,724
Invest. sale, loss	•450	225
Bond disc. amort.	4,928	4,928
Net profit	52,683	52,271
Less: Pref. divd.	26,000	26,000
Common divd.	37,500	37,500
Deficit for year	10,817	11,229
▲Incl. refund. EPT.	18,000	12,000
•Profit.		
Times All Interest Earned:		
Before deprec.	11.78	10.54
After deprec.	9.12	7.95
Earnings per Share and Dividend Record:		
Pref.: Excl. ref. EPT	$6.59	$6.53
Incl. ref. EPT	8.84	8.03
Paid	3.25	3.25
Com.: Excl. ref. EPT	0.36	0.35
Incl. ref. EPT	0.60	0.51
Paid	0.50	0.50

CONDENSED BALANCE SHEET

As at June 30:	1945	1944
Cash & Dom. bds.	$285,690	$200,705
Accts. rec.	41,308	40,080
Inventories	28,072	23,505
Total curr. assets	355,070	264,290
Misc. assets▲	96,820	78,072
Fixed assets*	1,277,935	1,294,331
Total assets	1,729,825	1,636,693
Bank loans	100,000	40,000
Other liabs.	171,674	135,951
Total curr. liab.	271,674	175,951
Funded debt§	566,378	569,727
Conting. res.	20,000	20,000
Capital stock	757,866	757,866
Earned surplus▲	113,907	113,149
*After depr. of	631,342	567,633
▲Incl. refund. EPT.	42,000	24,000
§Includes mortgage.		
Working capital	83,396	88,339

TOWN OF COATICOOK, QUE., has sold a $117,000 issue of 3% serial, 1958, debentures to Royal Bank of Canada at 101.63. Net average cost to the town was 2.75%. Proceeds will be used to meet a maturity of higher-interest bonds.

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"Demobilized" Typewriters Ready for Civilians Soon

Hundreds of army and air force typewriters, now lying idle across the country, should be available to clamoring civilians within two months.

The Canadian Typewriter and Office Machine Dealers' Association, investigating complaints of a tie-up, learned that these stocks are being assembled at central depots for mass transfer to War Assets Corp.

Meanwhile deliveries of new machines lag behind an average of six to eight weeks, sometimes beyond three months, from most companies. Some firms can supply the merest trickle of new machines, due to a holdup in their made-in-U. S. steel parts. Others are maintaining production while their steel inventory lasts. Importers of machines from the United Kingdom and Europe fear adequate volume from these sources may not be attained for two or three years.

Most firms in production now on new typewriters describe themselves as living virtually from hand to mouth on fabricating steel and certain critical parts. At least one is experimenting with an aluminum alloy substitute for the iron castings commonly used and some plastic parts are being introduced into the assembly.

Generally in office machine lines, a large backlog of orders has accumulated from purchasers who did not carry high priority rating during the war. Within the last month, one big manufacturer has reduced delivery time on new orders from 90 to 30 days on standard lines.

WHAT CAN BE DONE ABOUT TRAFFIC

Immediately

Clear the streets, especially during "rush hours", from curb to curb for the movement of traffic. "Parking" on busy streets during these vital hours should be abolished.

Future

Future methods of improving local transportation fall into three categories.

1—WIDENING OF PRESENT STREETS
2—BUILDING OF SUPER HIGHWAYS
3—CONSTRUCTION OF SUBWAYS

Street widening and the building of super highways will provide some relief, but only at an excessive cost in proportion to the benefit obtained.

However, the building of subways will immediately assist by far the majority of citizens as they depend on the public transportation system and will return greater value for each dollar expended. Not only will they assist those who use the public transportation system, but will assist all users of the streets, as public transportation vehicles will be removed underground.

MONTREAL TRAMWAYS COMPANY

Quebec Most Densely Populated Ratio Almost Twice Dominion's

Within Quebec borders lives 29% of Canada's total population. With a ratio of 6.36 persons per square mile (the national average is 3.2) the province is one of the most densely populated in the Dominion, and is becoming increasingly so. Population increased 15.91% (the national increase was 10.89%) between 1931 and 1941; and the density rose from 5.49 persons per square mile.

Quebec has also one of the youngest populations in Canada. The last census showed the lowest age groups represented. by very high proportions of the population, and the age groups over 40 by exceptionally low proportions.

Quebec populace is stationary, rather than migratory. Of the 3,331,882 persons in Quebec when the last census was taken, 2,925,428—87.8%—said they had lived there always. Only 25,296 had lived in Quebec less than two years.

More of French Origin

Racial origins of Quebec's population have changed somewhat over the last 10 years. The proportion of Quebec's citizens who are of French origin increased to 80.9% in the federal census of 1941, after dropping to 78.98% in 1931 from 80.04% in 1921. About 13.6% of the residents reported British origin; a drop from 15.06% in 1931 and 15.12% in 1921.

New Canadians form a very small part of Quebec's population: of her 3,331,882 inhabitants, 3,107,939 were born in Canada. Another 46,000 were "other British born."

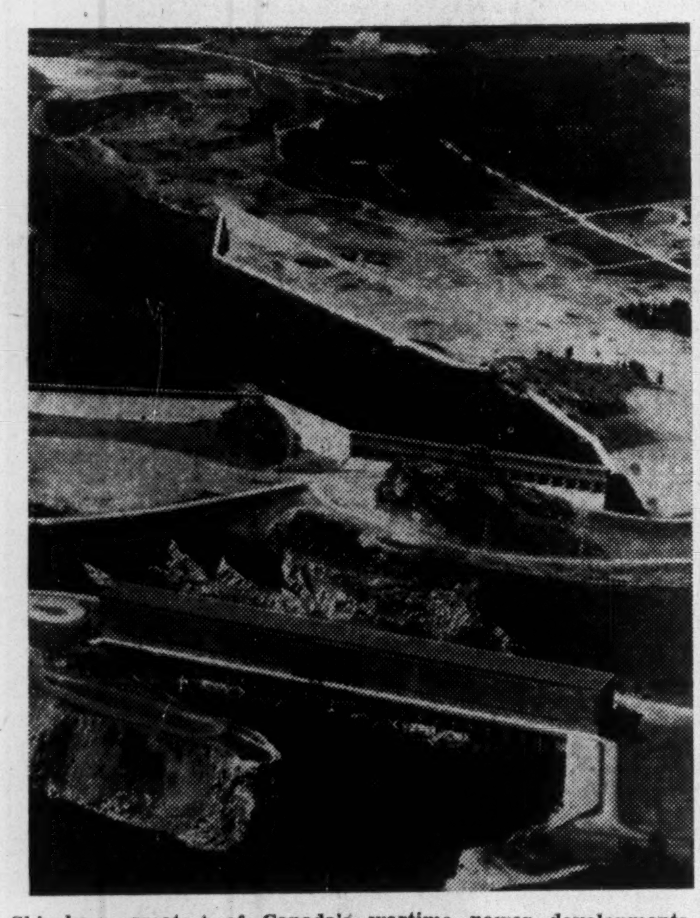
Nearly a million residents of Quebec—more than in any other province — speak both of Canada's official languages. Another 410,721 speak English only, while slightly over two millions speak only French.

Quebec urban population is 63.32% of its total, the highest percentage for any province of the Dominion. The proportion increased markedly from census to census until 1931; then the movement seemed to become one from smaller urban areas to larger ones, with the rural population relatively stable. A DBS publication describes Quebec as having for the last 50 years been in the second stage of industrialization and urbanization; the stage at which earlier crowding is overcome and improvement in public hygiene and a rise in the standard of living is followed by a fall in the death rate.

Montreal Is Metropolis

The Island of Montreal is the home of nearly half Quebec's total population. The city of Montreal itself, largest in the Dominion, showed a population increase of 84,430 in 10 years in the last decennial census. This brought population of the Greater Montreal area slightly over 1.1 millions, as against 900,491 for Greater Toronto.

A stranger looking at Quebec through census statistics alone would find Quebec's population to be largely urban, densely settled in some areas, but thinly scattered in others; predominantly French, especially in the country; though young, firmly attached to home and family, not prone to move; more feminine than the other provinces, but still more masculine than most of the other countries of the world; drawing closer, in many of the habits and tendencies that can be reflected in census statistics, to the patterns of behavior shown by the rest of the native-born populations of Canada and the United States.



Shipshaw, greatest of Canada's wartime power developments, backs up Quebec industry with 1.5 million of electrical horsepower. In the foreground is Shipshaw 2, the big unit that was completed in 1943.

Price of Home To Go Higher?

Boom in Real Estate and Building to Stay, Wenzlick Tells Canada

A U. S. real estate expert made these predictions to a Toronto audience last week:

Boom tc stay, defying long-term rhythm.

Higher farm prices (in inflated dollars) but values in relation to general price level now at peak and may hold for 15 years.

Interest rates to hold at present lows.

Office rents to continue rise.

Wages, industrial output to keep climbing.

Building volume to be up heavily each year for five, but—

Housing shortage greater in 1947; to remain three years.

Home prices to go higher.

Building cost to rise further with general price level.

Factory-built houses to get more development before offering large-scale competition on price; but will be major factor in building boom of the 1960's.

Those are the predictions covering "the next few years" of Roy Wenzlick, editor and publisher of Real Estate Analyst, St. Louis, Mo., consultant to business on real estate, who addressed Toronto Chapter, Society of Residential Appraisers.

To support the forecast of still higher building cost, Wenzlick cited St. Louis studies of a typical 6-room frame house.

Building cost now, he said, was $9,733 against $5,894 in 1939, or a 66% rise. By next fall, he predicted, building cost of this house would have risen another 20% to $11,800.

Rapid transit systems (such as are proposed by Montreal Tramways and Toronto Transportation Commission) tend to make cheap land accessible and marketable on city fringes, tend as well to reduce land values in "by-passed" inner areas, the U. S. analyst said.

COMPANY REPORTS

SEIBERLING RUBBER CO. OF CANADA had a net profit of $41,183.23 for the 14 months Nov. 1, 1944, to Dec. 31, 1945, ($52,079 for 12 months ending Oct. 31, 1944, including refundable EPT) but sales remained at approximately the same level as 1944. President M. L. Brown states that greatly increased charges in 1945 for special depreciation of capital assets acquired for war production, and difficulties in reconversion, are largely responsible for net profit reduction. All special depreciation permitted by the War Contracts Depreciation Board has now been absorbed and depreciation charges for future years on existing assets will be greatly reduced. Net book value of fixed assets at Dec. 31, 1945, is shown at approximately 33% of cost.

Fiscal closing date of the company changed from Oct. 31 to Dec. 31 and the financial statements have been prepared to show the company's position at both dates in 1945.

INCOME ACCOUNT

Periods Ended:	14 mos. Dec. 31 1945	12 mos. Oct. 31 1944
Net earnings	$301,970	$317,457
Less: Deprec.	196,620	132,494
Int. & exch., less disc. & misc. inc.	36,967	10,013
Income taxes‡	27,200	143,000
Net profit*	41,183	31,950
Less: Com. divds.	15,658	7,829
Surplus for year	25,525	24,121
‡Incl. ref. EPT	......	23,600

*Note: Co's. report includes ref. EPT in net profit and surplus for year.

Earnings per Share and Dividend Record:		
Com.: Excl. ref. EPT	$1.32	$1.02
Incl. ref. EPT	1.32	1.77
Paid	0.50	0.25

CONDENSED BALANCE SHEET

As at:	Dec. 31 1945	Oct. 31 1944
Cash & Dom. bds.	$362,305	$857,816
Accts. & bills rec.	298,740	517,747
Inventories	523,486	422,788
Total curr. assets	1,184,531	1,798,351
Deferred chgs.‡	59,332	86,667
Fixed assets*	505,131	456,429
Total assets	1,748,994	2,341,447
Accts. & tax. pay.	195,541	418,135
Other curr. liab.	87,089	379,520
Total curr. liab.	282,630	797,655
Funded debt	460,000	500,000
Deferred liabs.†	493,480	493,885
Reserves	77,438	136,515
Capital stock	62,630	62,630
Capital surplus	95,677	95,677
Earned surplus‡	277,139	255,085
*After depr. of	1,019,248	836,098
‡Incl. refund. EPT	44,800	77,600
†Subordinated to first mtge. bonds.		
Working capital	901,901	1,000,696

PREMIER TRUST CO. had a distributable profit of $60,692 for the year ended Dec. 31, 1945 ($65,880 in 1944) of which dividend disbursements totalled $24,653, investment reserve transfers $10,000, amounts written off assets totalled $18,000, and balance carried forward in profit and loss account totalled $20,667.

	1945	1944
Liab. to public, etc.*	$3,639,303	$3,034,171
Shareholders' equity	1,413,303	1,395,263
*Secured by:		
Mtges. & sls. agree.	1,620,466	1,672,240
Office premises	177,084	193,674
Realty for sale	44,394	51,176
Liquid assets‡	3,210,662	2,512,344
Total	5,052,606	4,429,434
‡Includes bonds and stocks.		
Estates account	7,065,179	7,569,570
Earnings per Share†	$4.92	$5.34
Paid	2.00	2.00

†Based on amount paid up on subscribed capital.

MUTUAL LIFE ASSURANCE CO. OF CANADA in its report for 1945 shows gains in all important items. Sales of new insurance exceeded $70 millions and insurance in force was over $773 millions.

Of $269 millions total assets, $205 millions was in bonds, up $21 millions. Stocks, mortgages and policy loans were lower. Rate of interest earned on invested assets declined due to a marked reduction in recovery of farm interest arrears, reduced mortgage investments and lower interest rates generally.

The company has been able to absorb war losses and to continue to show a relatively favorable mortality experience. Policyholders carrying insurance with a face value of $6.1 millions ordinary insurance died during the year, $859,817 less than in 1944. In the years 1940-45, policyholders insured for $32.7 millions died, 13% being war claims. In 1945, war claims were 22% of the total; 24% in 1944.

In the previous annual statement $1.5 millions was provided to meet possible additional war mortality.

This, being found unnecessary for the purpose, will be distributed to policyholders in addition to the ordinary surplus to be distributed in 1946.

	1945 $	1944 $
Insurance in force	773,548,363	723,861,526
New insurance	70,008,890	65,104,991
Total income	39,943,584	38,957,207
Premiums	22,577,957	21,666,666
Int., divds., etc.	10,616,337	11,018,415
Policy payments	14,225,453	14,854,765
Surplus earnings	5,460,049	5,316,675
Policy reserves	201,765,612	189,672,168
Total assets	269,560,078	252,103,689
Bonds	205,958,818	184,738,269
Stocks	7,183,474	8,998,350
Mortgages	30,199,748	31,455,508
Pol. loans	18,255,418	19,074,656
Interest earned	4.27%	4.75%

NORTHERN LIFE ASSURANCE CO. reports an increase of $8.8 millions in business in force, in 1945, with new business written up 33% over the previous year.

Total income was higher, increases being shown in both premiums and interest and dividends received. Payments under policy contracts were lower. Mortality during the year was favorable. Including war deaths, losses were as low as at any time in many years. End of the war removed the necessity of carrying the $100,000 extra war mortality reserve, and this was transferred intact to other purposes.

	1945 $	1944 $
Insurance in force	78,114,776	69,225,098
New insurance	11,589,106	8,694,221
Total income	2,878,038	2,525,772
Premiums	1,894,788	1,709,772
Int., divds.	607,315	584,868
Policy payments	827,557	867,155
Policy reserves	13,684,658	12,530,330
Total assets	16,414,799	15,002,830
Bonds	10,060,046	8,800,309
Stocks	552,513	658,999
Mortgages	4,025,189	3,695,647
Pol. loans	1,163,626	1,213,050
Int. earned	3.90%	4.04%

HOTEL DE La Salle

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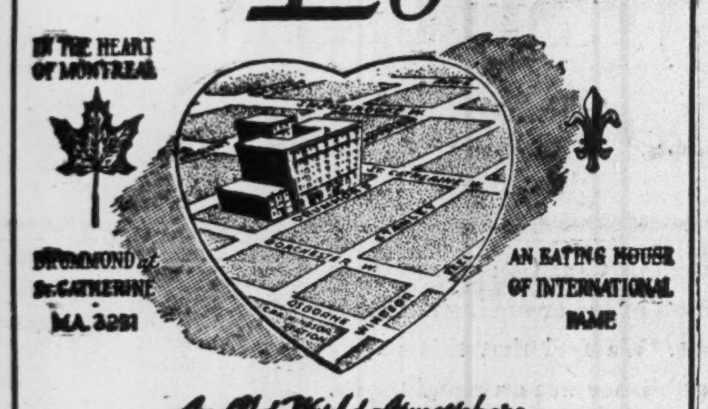

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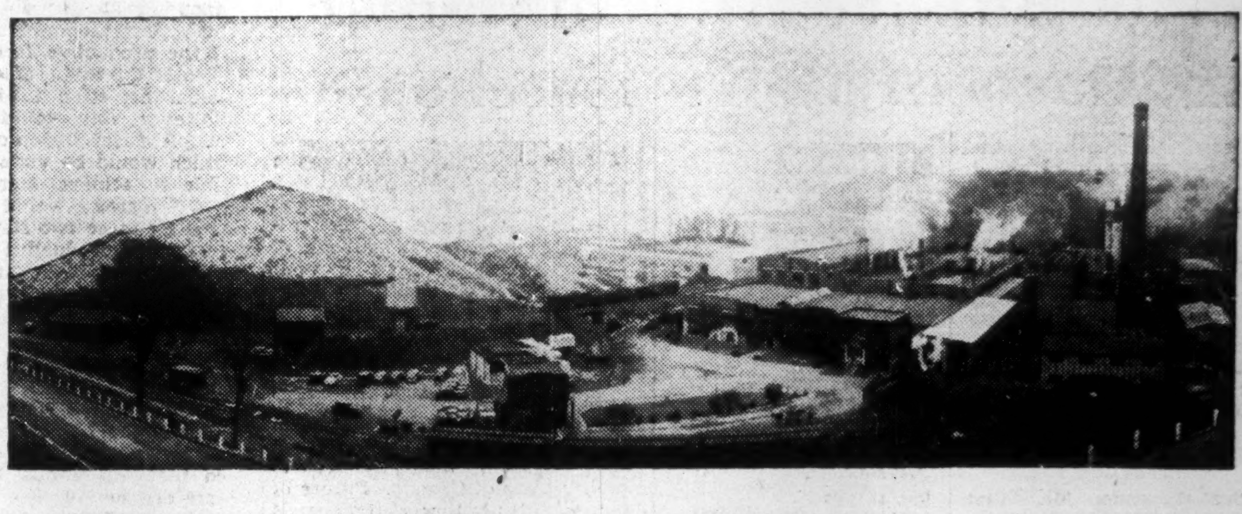

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Woodpulp and Sulphite Pulp Mills
Newsprint - Donnacona Board
and other Pulpwood Products

The mill is located on tide-water on the St. Lawrence River at the mouth of the Jacques Cartier River affording excellent water transportation.

The Company's timber limits, excellently located in relation to its plant, contain over 4,250,000 cords of wood.

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Montreal's leadership as the chief industrial centre of the Dominion springs from its unparalleled TRANSPORTATION facilities; its LABOUR supply which is enjoying a remarkable degree of stability combined with a high manual dexterity; its PRODUCTION facilities and MANPOWER resources which are responsible for the tremendous output recorded during past years.

Further, Montreal is a centre of an exceptional home market. It is Canada's gateway to the British Empire market outlets.

SERVICE

The Montreal Economic and Tourist Development Bureau is established to render every service to industry and commerce.

A competent staff of economists and industrial engineers is available to provide market surveys, tax, real estate, banking, customs, freight rates and other data pertinent to the establishment of branch plants or new business enterprises.

These services are rendered confidentially and without obligation or cost.

MONTREAL ECONOMIC AND TOURIST DEVELOPMENT BUREAU

A municipal service of the City of Montreal

Suite 806 - Dominion Square Bldg.

VALMORE GRATTON, DIRECTOR

STUDIES NOS. 6 AND 7

Review the position and prospects of

HOWARD SMITH PAPER MILLS, LIMITED

(December 21, 1945)

STANDARD CHEMICAL CO. LIMITED

(July 30, 1945)

Copies of these circulars may be obtained on request.

PREVIOUS STUDIES STILL AVAILABLE

No. 1—Minnesota & Ontario Paper, Dec. 15, 1943
No. 2—Canadian Breweries Ltd., Feb. 14, 1944
No. 3—Dominion Tar & Chemical Co., May 15, 1944
No. 4—British Columbia Packers Ltd., June 14, 1944
No. 5—Canadian Breweries Ltd., Nov. 22, 1944 (Revised to date).

FAIRBANKS, KIRBY & CO.

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QUEBEC

Quebec Studies Aid for Education Big Public Works Plan on Horizon

Last month the Province of Quebec sold a $15 millions 3% 16-year bond issue to an investment syndicate at 99.525. The bonds, subsequently offered to the public on a 2.93% yield basis, were fully subscribed as soon as the books were opened. This attests the high credit standing of the province.

General Outlook Favorable

Future financial position of the province is closely tied in with outcome of the Dominion-provincial tax discussions. Quebec, as one of the "wealthier" provinces, has been cool to centralization proposals which might drain money from the province to other parts of Canada. Future of its credit position also depends importantly on how the province deals with shareholders of the expropriated Montreal Light, Heat and Power.

Since the first year of the war, the province has been reporting surpluses on ordinary account each year . . . ranging from $3.5 millions in the 1941 fiscal year to nearly $20 millions in 1942. For the year ended March 31, 1945, revenues were at a record high of $96,455,703 and expenditures at $91,990,114, indicating a surplus of $4,465,588 exclusive of capital expenditures of $12,443,144. Included in the revenue total was net receipts of $13,620,535 from the Quebec Liquor Commission and, as this was after deducting $1 million for the benefit of the public charities fund, actually total revenues were $97,455,703.

From April 1, to Dec. 31, 1945, revenues totalled $100,523,000 and expenditures $92,440,000. Immediate total debt on Dec. 31 was $366,510,000, decline of $14,283,000 from April 1. Total deferred debt, including grants payable during the year to hospitals and public assistance institutions, was $405,575,000.

Capital expenditures have been relatively low in recent years, the $13 millions figure of the 1945 year and $9 millions of 1944 comparing with over $34 millions in the 1940 fiscal year. In part this has been due to wartime financing arrangements, where provincial borrowing has been kept at a minimum to facilitate war financing by the Dominion Government; in part to difficulty in getting materials for road and other public improvements.

Capital expenditures between April 1, and Dec. 31, 1945, included $5.6 millions for highway works, $800,000 on bridge construction and repair, $839,000 for public buildings.

Deferred Outlays Ahead

Capital outlays are likely to increase, to take care of maintenance and improvement work deferred during the war. Higher expenditures for public works are expected as soon as materials are in greater supply.

Increase in revenues in recent years has been due to some degree to new sources of revenue. A sales tax, imposed during the war, brought in nearly $13 millions in 1945; tobacco tax over $4.4 millions; income tax nearly 2½ millions. Expenditures have kept pace with rising trend in revenues. In general, expenditure increases have been chiefly for education, health, colonization, agriculture.

The present government was elected with a promise to remove the sales tax, replacing it with "luxury" taxes on non-essentials. This proposal was rejected by the Legislative Council. Quebec's Upper House.

Grants for education appear likely to increase. Rising salaries for teachers have placed local school boards throughout the province, which previously had been having a hard time to get along, in a precarious financial position. The province has paid out around $9 millions annually to keep local school boards functioning.

At the new session of the Legislature this month, major attention is being given to solving the problem of school financing. A commission which investigated the problem, recommends that school taxes be placed on the provincial rather than local tax rolls, and that new taxes, to raise $7,750,000 annually, be imposed on pulpwood and lumber, electricity and telephones, mining profits. The province may take over the debts of the local school boards—aggregate net debt $78 millions. This would permit refunding of present local school bonds at lower interest rates.

Aside from possible changes resulting from the Ottawa meetings, the future financial position of the province closely depends on internal income, outlook for which is reasonably favorable.

One of the biggest "industries" of Quebec is tourists, and present indications are for record revenues from this business the next few years. Another major industry is pulp and paper and lumber. Until world shortages are rectified, which is likely to take several years, high production of this Quebec industry is reasonably well assured.

The hydro-electric industry is closely linked with pulp and paper, as paper production is one of the biggest users of electric power. Other important users of electricity are the non-ferrous metal and electro-chemical industries, which appear likely to continue more active than before the war.

As a leading manufacturing province, Quebec's finances tend to rise and fall with industrial activity. In the depression years, her financial affairs became difficult, partly due to heavy expenditures for unemployment relief, public works, etc. In more recent years there has been a substantial improvement.

INVESTMENT NOTES

CANADIAN PACIFIC RAILWAY reports train mileage in 1945 at record level of 55,811,000 miles (55,700,602 in 1944 and 39,918,197 in pre-war 1938). Train mileage is total distance travelled by passenger and freight trains on all lines; does not include yard mileage.

* * *

CANADIAN WHEAT FLOUR PRODUCTION in 1945 reached record total of 25,059,351 barrels (24,292,046 in 1944). Wheat milled totalled 111,277,878 bushels (107,303,854 in 1944).

* * *

CANADIAN PACIFIC RAILWAY has received delivery from the Montreal Locomotive Works of the first Canadian locomotive equipped with an all-welded boiler instead of the standard riveted construction. The new engine will be used on the company's western lines. A second, when delivered, will be used in the East.

* * *

CANADIAN SILK PRODUCTS, LTD., class "A" no-par-value stock (15,500 shares) has been sold through Nesbitt, Thomson & Co. at a price to yield about 5½%. The transaction involved sale to the public of stock previously held privately; did not represent new financing for the company. Through a wholly owned subsidiary, the company operates a plant at Sherbrooke for manufacture of ladies' high-grade hosiery under trade names such as "Orient," "Rainbow" and "Aladdin."

* * *

CANADIAN LIQUID AIR CO., is planning expansion of its operations and facilities in Canada, including erection of modern laboratories to undertake development and perfecting of uses of oxyacetylene cutting. This was revealed by Jean Delorme, Paris, France, vice-president and director of the Canadian company and president and managing director of the parent company, L'Air Liquide during a visit in Montreal.

Mr. Delorme said that operations in France had been increased 20% since end of the war, and could be increased much more if sufficient coal were available. Mr. Delorme, who continued to operate his plant in France throughout the war, recently was awarded the "Resistance Francaise" medal for his work with the French underground.

* * *

CITY OF CAP-DE-LA-MADELEINE, QUE., has sold $117,000 3¼% serial, 20 years, debentures to Paul Gonthier & Co., Ltd., at 100.05, or net average cost to the city of 3.244%. Purpose is to consolidate the floating debt created to pay for the cost of waterworks, sewers, hydrants, trucks, etc.

* * *

DOMINION COAL CO. reports January production at 288,025 tons compared with 314,655 tons in January, 1945.

* * *

EAST KOOTENAY POWER CO. reports gross revenues in December totalled $65,233, decline of $14,928 from Dec., 1944, and net operating income (before Dominion taxes) at $29,728, decline of $3,959. Gross for the nine months ended Dec. 31 totalled $570,932, decline of $19,639 from corresponding 1944 period, and net $323,471, increase of $447.

* * *

MASSEY HARRIS CO. transfer agents have advised the Montreal Stock Exchange that up to and including Jan. 26, 1946, they had converted 9,600 shares of preferred stock, and issued 19,200 shares in lieu thereof, leaving outstanding 782,446 shares of common and 744,704 preferred shares.

* * *

PANDORA CADILLAC GOLD MINES, LTD. has notified the Montreal Curb Market that it has received a further payment of $25,000 for 100,000 shares of stock from Clair Agency, Ltd.

* * *

FOUND LAKE GOLD MINES, LTD., 5,000,000 shares, each $1 par, have been listed on the Montreal Curb Market.

CIF Purchases Bank Stocks

MONTREAL (Staff) — Canadian Investment Fund, Ltd., reports the changes in the portfolio holdings of common stocks during the fourth quarter of 1945:

Purchases:

Bank of Montreal increased from 3,000 shares to 4,000 shares.

Building Products, Ltd., increased from 5,000 shares to 5,900 shares.

Canada Packers, Ltd., class B, increased from 2,400 shares to 3,000 shares.

Canadian Bank of Commerce increased from 2,000 shares to 3,000 shares.

Dominion Oilcloth & Linoleum Co., increased from 825 shares to 1,000 shares.

George Weston, Ltd., increased from 4,000 shares to 4,600 shares.

Sales:

International Paper Co. 5% cumulative convertible preferred stock reduced from 1,800 shares to 1,000 shares.

Government bond holdings reduced by $300,000 par value.

Other Changes:

2,400 shares of Canadian Celanese, Ltd., $1.75 series, preferred stock, received in exchange for 600 7% participating preferred shares of that company previously held. The 300 Canadian Celanese common shares received in lieu of the participating feature of the old preferred stock were sold and the proceeds credited to the income account.

Hugh Bullock, president, in a letter to stockholders, states:

"These portfolio changes were effected on different dates and at varying prices, Also, in certain instances they were made to meet requirements of your company as a whole, and they should not be construed as necessarily indicating a favorable or adverse current opinion with respect to the investment character of the securities individually."

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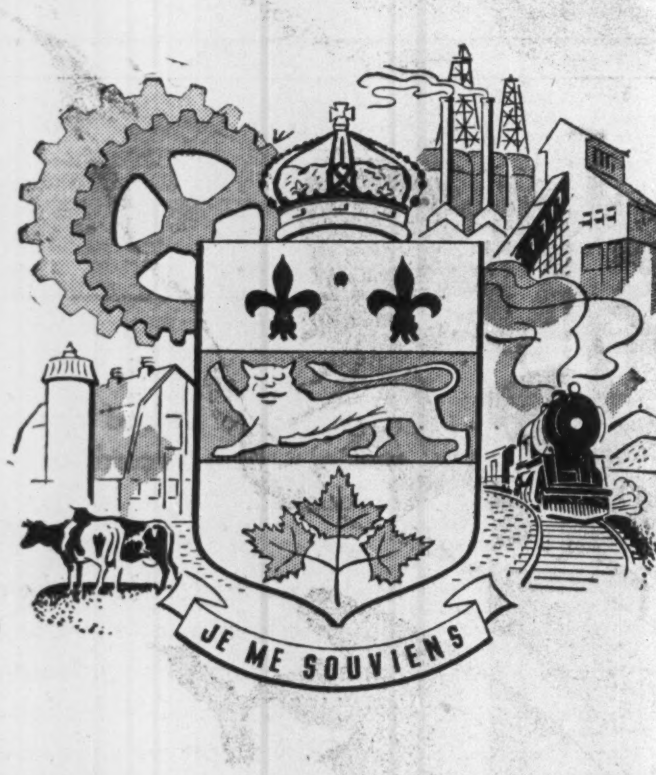
185-Ton Mill at Chandler, Quebec; Head Office at Quebec, P.Q., Canada.

Water shipments in SMALL or LARGE Cargoes from Port of Chandler, on Gaspe Coast.



QUEBEC LOOKS FORWARD!

Quebec . . . rich with history and treasured traditions . . . Quebec . . . rich with promise in her mighty natural resources . . . the tremendous productive capacity of factories and workshops . . . Quebec . . . rich with the enterprise of a young, enthusiastic people, stands clear-eyed, confident, ready to carve her own abundant future!

Eaton's looks forward proudly to its own role in shaping that future . . . to bridging the gap between producer and consumer on the sound foundation of fine merchandising traditions!

THE T. EATON Co LIMITED OF MONTREAL

THE NEWSPRINT SITUATION

from a newspaper's viewpoint

Newsprint has been distributed to Canadian newspapers on the basis of their consumption of paper during the basic period set by the Government. We feel that this policy was fair to all and that every publisher was on equal terms.

However the picture is quite different when the actual circulation of a newspaper is considered against its prewar level.

The average paid circulation of La Presse during January of this year was 227,473 copies on week days and 261,408 on Saturdays, against 144,952 and 174,649 respectively, during the corresponding month of 1939.

It is beyond any question that such an increase of circulation is creating a serious problem in our advertising department.

As the coverage of La Presse keeps on making history (without any encouragement whatever on our part) the available space for advertising is being progressively reduced.

To the many account executives and advertisers who, today, are unable to secure the lineage they require, we express our very sincere regrets.

Every effort is being made to alleviate the inconvenience of the present situation. We are convinced that with the release of additional newsprint, La Presse, through its greatly increased coverage, will give advertisers a *lower milline rate*, and a *better value* than ever before in its 62 years of service to the community.

LA PRESSE

The second largest daily circulation in Canada

More coverage than all other Montreal evening dailies combined

Quebec, Leading Textile Province Faces Greater Postwar Expansion

Quebec long has been the main centre of Canada's textile industries, which are the largest employers of labor among manufacturing industries in the Dominion. And they are continuing to grow.

Quebec's relatively large population and high birth rate have been contributory factors in development of textile production, for a large labor pool is important for such industries. Also important have been the temperament and character of the people—the comparative scarcity of strike troubles and labor unrest.

As of Nov. 1, 1945, 140,742 Canadian workers were employed in textile industries, 75,448 in Quebec province . . . more than half the Dominion's total.

A number of Quebec's textile plants have developed in the centre of rural areas. An instance is the Eastern Townships area. At one time this section was predominantly agricultural. As the population grew beyond the needs for farm work, many migrated to industrial areas of New England. Development of a textile industry in this section held the new generations in their own country, and resulted in sharp growth of towns in the area, and general increase in prosperity.

The fact that textile employment is all-year work (monthly fluctuations less than in any other industry), also the use of women and part-time workers, have been elements which strengthened economic stability throughout the province. Latest complete figures available (for 1943) show following distribution of Canada's textile industries:

	Towns	Workers	Payrolls
Quebec	61	86,532	101,590,134
Ontario	91	60,127	77,663,606
Maritimes ..	23	4,442	4,580,557
West	11	6,886	7,471,331
Total	186	157,987	191,305,628

Many Products Made

Practically every branch of the Canadian textile industry is found in Quebec, with products ranging from primary goods to finished materials. Of the total 157 cotton textile mills in Canada (in 1943), Quebec had 81. The province also leads in production of artificial and real silk goods, 23 of the 33 Canadian companies in this field operating in Quebec. A large share of the woollen trade also is located in the province, as is Canada's only linen processing mill.

In garment manufacturing, Quebec long has had a leading role. Montreal alone has women's factory clothing shops employing 16,631 workers, with value of products (1943) $82,120,778. Toronto had 6,300 employees in this trade, value of products $31,356,884. For all Canada, total employees 25,752, value of products $124,837,789.

Quebec's textile production, now long established, has reached maturity. In the period from 1890 to 1910, the industry suffered from ills common with a relatively new industry—constant changes, failures. In the 1921 collapse of prices, heavy losses also were suffered. From 1930 to 1937, the industry was beset with tariff uncertainties.

However, from 1930 to 1939, there was a marked development and expansion. Many millions of dollars were plowed into plant modernization, improvement of equipment and properties. One result was that when the war started, and Canada was largely cut off from imported textile goods, the industry was able to step up its efforts and meet the tremendous demands for products, both for military and civilian purposes. Production continues at a high level, to meet deferred civilian needs, and also for needs of war-stricken countries.

Wage and other costs have risen sharply, but there has been no increase in prices. The Canadian Government has taken care of difference in present-day cotton prices, as compared with prices early in the war, and the high rate of operations has tended to offset squeeze of higher wage costs.

Problems Ahead

The future holds some uncertainties. If tariff barriers are removed, as has been suggested, and the domestic industry has to meet competition from countries where wage and other costs are lower (once present world shortages are corrected), the industry may be faced with the alternatives of lowering present wage rates, or closing down mills.

A possibility is that Canadian textile production will be converted to mass-production output of a relatively few lines, and export as well as domestic business in these lines actively sought. Such a change might involve temporary upset.

In such matters as tariff and similar arrangements, Quebec province has only a limited voice. However, the industry in Quebec has reached a stage of maturity where adjustments may be possible with a minimum of upset.

Rayon Industry Centre

Although Quebec has been important for a long time as a cotton textile centre, development of such new lines as rayon and other artificial silk products has been relatively rapid. Chief centres are the Montreal area, the Eastern Townships and the north shore of the St. Lawrence.

In the woollen and knit goods branch, one of the largest and oldest woollen mills in Canada—the Paton Manufacturing Co. plant—is located in Quebec. Regent Knitting Mills operates a modern mill at St. Jerome and Penman's has a large factory at Ste. Hyacinthe.

In some sections, such as Sherbrooke in the Eastern Townships area, the use of women in textile work has resulted in an actual shortage of female workers, despite the fact that release of men from war plants and military service recently has caused a temporary male unemployment problem. In a number of cities and towns, textiles have become the mainstay of employment and economic stability.

The Quebec Government has shown increasing attention to education for skilled work in textile plants in the province. A score of arts and crafts schools to train for the textile industry have been set up. An even larger number of vocational centres, where training can be had, have been developed, courses ranging from preliminary training to advanced work. Future expansion of educational work in hosiery and woollens, also in textile chemistry, is planned.

Quebec Triples Fishery Output

The world food shortage during the war and the postwar period has stimulated Quebec's fisheries production. Production in 1943 (latest complete figures available) was close to $6 millions as compared with around $2 millions in 1939. The 1943 increase over 1942 was 39%, chiefly due to higher prices rather than increase in catch. The sea fisheries contributed over $5 millions of the 1943 total. Since then, production value has continued at expanded levels, with prices well above pre-war levels.

Quantity of fish taken by Quebec fishermen in 1943 totalled 1,136,781 cwt. Capital investment of the fisheries of Quebec is nearly $3½ millions, with slightly over one third of this invested in fish processing establishments.

Cod is the chief fish in marketed value, making up more than half the total. Herring accounts for around 10%, mackerel about 5%. Salmon, lobster and smelt are also important.

The more important sea fishing is centred mainly on the Gaspe Peninsula, in Bonaventure county and part of Saguenay.

Over 100 establishments are maintained in the province for preparing fish. These include nine lobster canneries, 66 fish curing establishments, 19 fresh fish and freezing plants, seven reduction plants, one clam cannery, six "other fish" canneries.

The Quebec Government has encouraged establishments of co-operatives, through substantial yearly grants. Previously fishermen sold their fish without grading. Under the present system government inspectors examine and grade the catch. This has resulted in improved quality of fish marketed in the province and exported.

Fisheries of the province are numbered among the most extensive in the world. Since 1922 the province has taken over supervision of sea fisheries, formerly controlled by the Dominion Government. This ended previous dual authority, and now only the province may issue permits for coastal fishing. The Dominion Government, however, still retains certain prerogatives concerning the conservation and reproduction of fish.

RAILWAY EQUIPMENT

of the finest quality at very low cost

EXPERIENCE, progressive methods and a modern plant enable us to produce, for domestic or foreign use, and at the lowest possible cost, railroad rolling stock of every description—bus, truck and automobile bodies—air dump and industrial cars of every kind—steel pressings and forgings, drop forgings, steel and light alloy aircraft forgings.

NATIONAL STEEL CAR Corporation Limited

HEAD OFFICE: HAMILTON SALES OFFICE: MONTREAL

BUILDERS OF TRANSPORT FOR CANADA

1-45

Beaudelair Planning Magnetometer Survey

Arrangements have been completed by Beaudelair Mines to conduct a magnetometer survey on its property comprising 23 claims in Dufresnory twp., Que. The acreage is located about midway between Waite-Amulet on the west and MacDonald in the east.

Preliminary surface work disclosed a carbonatized zone with grab samples returning low gold values. C. O. Stee is consulting engineer for the company and D. M. Giachino is consulting geologist. Vincent Mining Corp. owns 500,000 shares of one million shares outstanding.

MONTREAL STOCK EXCHANGE AND MONTREAL CURB MARKET reports that dividend payments in January by listings totalled $20,360,874 ($20,706,203 in January, 1945).

Government, Municipal and Corporation Securities

Hospital & Religious Institution Bonds

Lagueux & DesRochers Limitée

Financial Building QUEBEC, Que.

LE PETIT JOURNAL

INCREASING is the most accurate word to describe the progress of Le Petit Journal!

Here are the facts about CIRCULATION:

For the 6 months ending Sept. 30,	1939	85,437
	1945	161,380

With our issue of Jan. 20, 1946, circulation increased again to a new all-time high of 174,586.

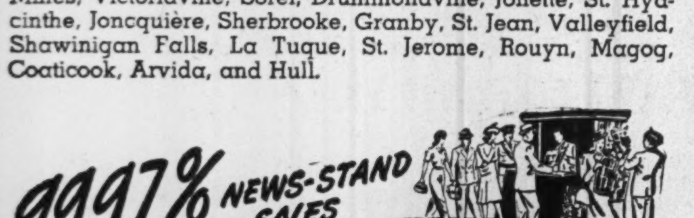
Here are the facts about LINEAGE:

Total National and Retail combined for the last quarter (13 wks.)	1939	195,872
	1945	230,837

Add to these facts the INCREASE in newsstand sales at the amazing percentage of 99.97 — conclusive proof of high readership.

Join the INCREASING number of successful advertisers (over 1200 now) who are realizing the importance of using Le Petit Journal to deliver their French sales-messages to potential customers in the Province of Quebec who think, speak and buy in French.

85% of Le Petit Journal's circulation is in the following centres: Montreal, Quebec City, Three Rivers, Chicoutimi, Rivière du Loup, Montmagny, Lévis, Grand'Mère, Thetford Mines, Victoriaville, Sorel, Drummondville, Joliette, St. Hyacinthe, Joncquière, Sherbrooke, Granby, St. Jean, Valleyfield, Shawinigan Falls, La Tuque, St. Jerome, Rouyn, Magog, Coaticook, Arvida, and Hull.



LE PETIT JOURNAL

THE WORLD'S LARGEST FRENCH WEEKLY NEWSPAPER

Member A.B.C. Ontario Representative, J. McGOEY, 21 King St. E., Toronto

INVESTMENT NOTES

TWO MONTREAL STOCK EXCHANGE SEATS have been sold at $50,000, up $15,000 over previous sale a few weeks ago, and the highest level since May 1, 1934.

• • •

CANADIAN CAR & FOUNDRY CO. has notified the Montreal Stock Exchange it has purchased for redemption 1,570 additional cumulative participating (redeemable) preferred shares prior to notice of redemption of all the issued preference shares dated Jan. 17, 1946. Balance outstanding is reported at 266,992 shares.

• • •

INDUSTRIAL ACCEPTANCE CORP., LTD., has purchased Niagara Finance Co., Ltd., of Welland, Ont. The Niagara company will maintain its identity.

• • •

JOLIETTE STEEL LTD. of Joliette, Que., producers of manganese and alloy steel castings, announce that complete control of the company has been acquired by American Brake Shoe Co. of New York. Present personnel will be retained and promotions and staff additions in Canada, are planned, it is stated.

• • •

CANADIAN FOOD PRODUCTS, LTD., 180,176 common shares and 90,088 class "A" shares, have been admitted to the listed section of the Montreal Curb Market.

• • •

MONTREAL TELEGRAPH CO. revenue for 1945 was $169,059 ($168,760 in 1944), expenditures $166,069 ($165,819), balance at credit $71,715 ($48,960). The appeal taken by the Quebec Government against judgment dismissing its suit for $38,376 corporation taxes was dismissed by the Supreme Court of Canada, with costs against the province.

• • •

MONTREAL STOCK EXCHANGE AND MONTREAL CURB MARKET report industrial stock sales in January totalled 2,247,323 shares, increase of 643,895 over December, up 1,358,456 over January, 1945, and highest total since January, 1937. Mining trading, at 7,364,246 shares, was about three times greater than in preceding month and at highest level since February, 1937.

• • •

ROGERS MAJESTIC LTD. sales office in Montreal has become district branch office for eastern Canada, it is announced by President R. M. Brophy. "Realizing the importance of Quebec and the Maritime Provinces," he said, "it has been decided to place increased emphasis upon the development of these markets."

Public Utility Earnings

Mexican Light & Power

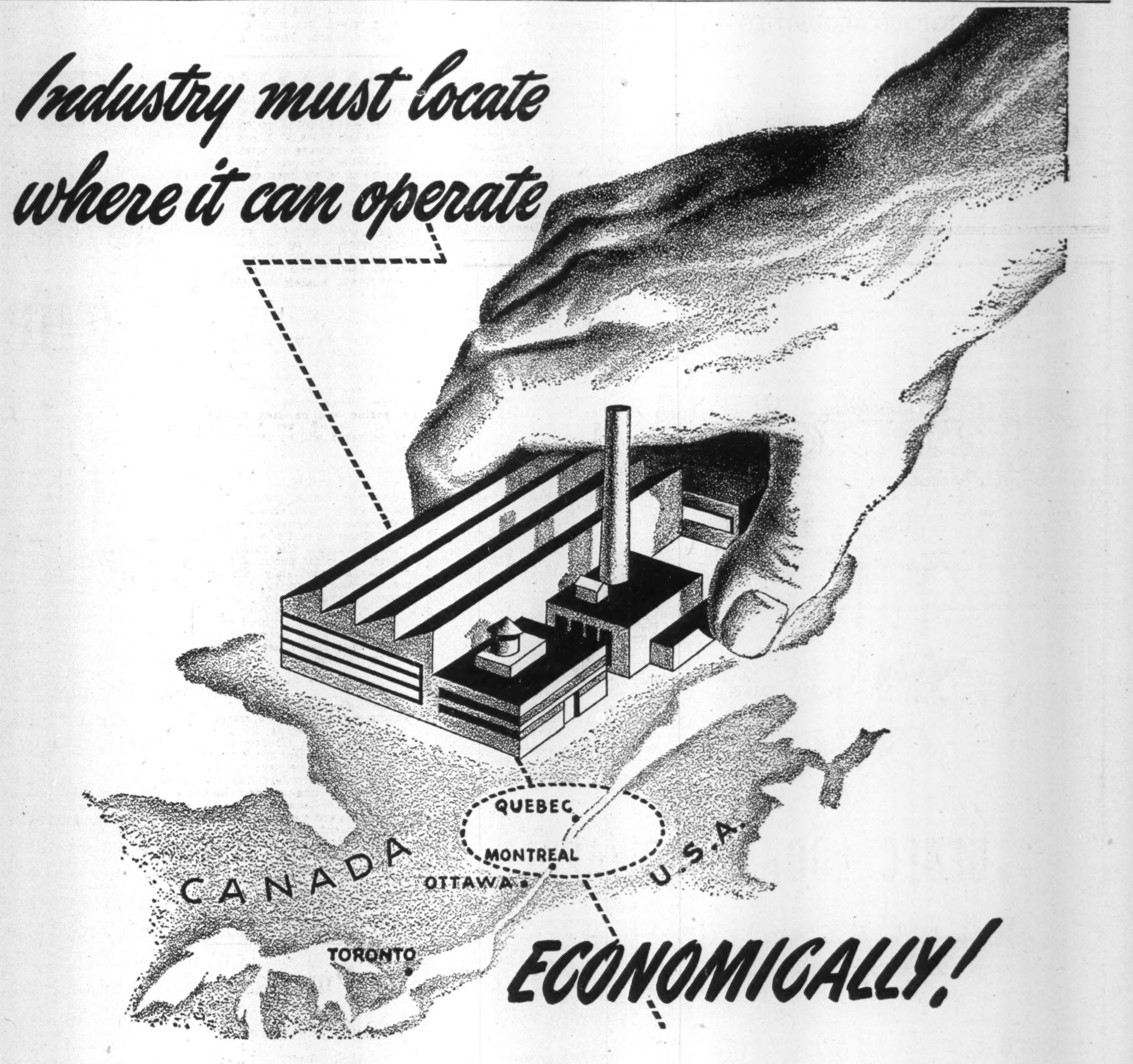
October:	1945 $	1944 $	Incr. %
Gross earns. ..	1,434,612	1,092,230	31.3
Oper. exps. ...	1,058,335	854,879	23.8
Net earns.	376,277	237,351	58.5
Ten Months:			
Gross earns. ..	12,628,120	10,300,735	19.7
Oper. exps.	9,748,046	8,496,465	14.7
Net earns......	2,880,074	1,804,270	59.6

Operating results as shown in Canadian dollars are taken at average rates of exchange. Gross earnings for 1945 reflect the increase in rates in force since June, while expenses include a 10% increase in wages effective since July.

Brazilian Traction

Nov.	1945 $	1944 $	Incr. %
Gross earns. ...	5,672,792	4,977,321	14.0
Oper. exps.	3,277,413	2,348,859	39.5
**Net earns.	2,395,379	2,628,462	*8.8
Eleven Months:			
Gross earns.	59,457,476	53,279,919	11.6
Oper. exps.	31,343,781	25,158,505	24.5
Net earns.	28,113,695	28,121,141	*0.03

*Decrease.
**Subject to depreciation, amortization and capital charges.



MANUFACTURING profits are largely determined by geographical location in relation to raw materials, availability of good and plentiful labour, low-cost electrical power transportation and proximity to markets.

"Production Valley" in Canada's Province of Quebec, the 25,000 square miles served by The Shawinigan Water & Power Company and Quebec Power Company, has all of these advantages in abundance, and today is the home of some of North America's largest industries. They "discovered" Quebec and "Production Valley" as one of the most economical and therefore profitable areas on the continent in which to locate.

Any manufacturer or processor seeking a new, *profitable* location, is cordially invited to write for the booklet entitled "Quebec and the Markets of the World."

TRANSPORTATION · CONSTRUCTION · ENGINEERING

The Shawinigan WATER & POWER CO.

ELECTRICAL POWER INDUSTRIAL CHEMICALS

SHAWINIGAN CHEMICALS LIMITED QUEBEC POWER COMPANY

associated and subsidiary companies

POWER BUILDING . . . MONTREAL, QUE., CANADA

Quebec, Producer of Half Dominion's Power Relaxes After War Rush, Plans for Future

Important to Canada's past industrial development, and offering bright promise for the future, is Quebec province's wealth in electric power resources—ample supplies at low costs. Development has shown an upward arc, particularly since World War I, with power development just ahead of industrial growth.

Today Quebec is better situated than ever before as regards power supply, due in part to the expansion in turbine installation during World War II. Quebec central electric stations last year produced nearly 60% of the total for all Canada, and consumption was well over 50% of all consumption in Canada, with balance exported, chiefly to Ontario.

End of the war has found canada with a surplus of power for sale, at least temporarily, but not a serious over-supply, even to the electric power companies.

One of the biggest wartime developments was the Shipshaw project, with an installed rated capacity of 1.2 millions h.p. Cost of this was largely written off out of wartime revenues, hence the development could be closed down, for a time, either in part or entire, without serious loss.

The present surplus is relatively not large. Increased power purchases by pulp and paper and other industries will tend to offset elimination of sales for war purposes. At present about three quarters of a million h.p. is available for new industrial development. Expansion of electrochemical industries, together with probable increase in usage in nonferrous metal production, is likely to whittle down the surplus over the next few years.

Repair Work Under Way

Actually, end of wartime demands has been welcomed by the power industry. For five years, power resources and facilities were strained to the utmost to meet emergency requirements. As a result, utility systems were badly in need of maintenance work, repairs, general check-ups; and these important jobs are now under way. In general, condition of properties has been found better than had been expected, in view of the strain of the war years.

One result of the war was extension of the "grid" system, to connect the various leading power systems in Quebec, and also for connection with power lines in Ontario. As a result, surplus power from any section can be transferred to other areas where needed, and maximum operating efficiency, and savings in costs, achieved.

During the past year, there has been little hydroelectric expansion in Quebec. Extensions carried out, or planned for this year, are confined to sections of the province not connected with the central grid system.

The Lower St. Lawrence Power Co. has undertaken a 6,000-h.p. hydroelectric development under a head of 77 ft. on Metis River, one mile below its present plant, project scheduled for completion by the end of this year.

Canadian International Paper Co. plans a hydroelectric plant of 300 h.p., with ultimate capacity of 500 h.p., on Riverin River just above the Gulf of St. Lawrence, scheduled to start operation by November.

Gatineau Power Co. is constructing a 36-mile transmission line, connecting with its transmission line at Calumet and extending to St. Jerome. This company also plans to install the fifth and final hydroelectric generating unit at its Farmers Rapids plant, adding 24,000 h.p. to present development, and to be ready for service late this year or early in 1947.

Quebec Hydro Commission has continued dredging operations in the Beauharnois canal, and plans extension of distributing facilities, particularly in northern mining areas. Changes are under way, chiefly in transmission arrangements, and in rural extensions, by Northern Quebec Power Co., Shawinigan Water & Power Co., Southern Canada Power Co. and Aluminum Co. of Canada.

Plan New Storage Dam

Quebec Streams Commission, which controls 28 reservoirs on various rivers in the province, has surveyed the storage possibilities of Lake Dozois, adjacent to Grand Lake Victoria, upper Ottawa River, and plans starting storage works soon.

An outstanding feature of Quebec power development has been construction by, or under the control of the Quebec Streams Commission, of storage dams to regulate and augment the flow of streams so as to greatly increase available power. This commission was created in 1910, with authority to make recommendations as to controls over the province's water resources, to construct storage dams and operate them and to undertake direct production of power. The commission has been responsible for electrical power service to a number of outlying areas not previously served.

Govt. Regulations Changed

From 1940 up to last year, the province's Public Service Board acted as an arbitration, supervisory and controlling body for all public services and public utility enterprises. Under legislation effective Sept. 1, 1945, the Public Service Board was abolished, and its authority and duties were delegated to two boards—the Provincial Transportation and Communication Board and the Provincial Electricity Board. The task of expropriations, formerly assigned to the Public Service Board, has reverted to the judges of the Superior Court.

The new Transportation and Communication Board deals with such public services as telegraphs, telephones, railways, tramways or navigation, auto bus, taxis, delivery cars, drive-yourself services, waterworks systems, sewer systems, production, transmission, distribution or sale of gas, steam, water, heat, light or power produced otherwise than by electricity. The Electricity Board is charged with similar functions in connection with electric power development and distribution.

Quebec Biggest Producer

Quebec's hydroelectric capacity is more than that of all Canada only a few years before the war. Turbine installations in the province at end of 1944 (latest figures available) totalled 5,848,022 h.p., or more than double Ontario's total of 2,673,443 h.p. and comparing with 10,283,213 h.p. for all Canada. In 1939, Quebec's turbine installation was 4,084,763 h.p., all Canada's 8,289,212 h.p.

During the first 11 months of 1945, production of electricity by central electric stations (which produce power for sale) totalled 21,450,270,000 kilowatt hours as compared with 36,811, 898,000 kw.h. for all Canada.

Production of central electric stations in the 11 months by provinces follows:

Central Electric Output
(Thousands of kilowatt hours)

11 Months:	1945	1944
Prince Ed Island ..	10,895	10,134
Nova Scotia	526,430	500,464
New Brunswick	542,328	452,537
Quebec	20,492,523	21,450,270
Ontario	9,897,563	9,628,839
Manitoba	1,677,186	1,602,300
Saskatchewan	604,320	622,426
Alberta	498,254	495,137
British Columbia ...	2,562,399	2,347,524
Total	36,811,898	37,109,631

Price Key To Growth

Quebec's power resources have been a major factor in the province's industrial and economic development. The timber resources of the Lake St. John and Saguenay region, the upper St. Maurice and the Gatineau and Lievre River valleys, never would have reached their present state of use, had it not been for close proximity of immense resources of power.

Rapid development of Quebec's mineral resources, in recent years, has been stimulated by low-cost power. Important electrochemical industries, aluminum production, and other important activities have been made possible, to extent they have grown, by the power supply. The immense watershed from the Laurentians and the flow southward to the St. Lawrence creates numerous waterpower sites of major importance, not only close to large industrial centres, but extremely economical to develop.

These resources, while widespread, are centred mainly in certain well defined districts. In the north, Lake St. John flows into the Saguenay, which in turn is fed by the Shipshaw, Peribonka and other important rivers. Here are located the huge power plant of the Aluminum Co., Saguenay Power, Price Bros. & Co. and other operators.

In the St. Maurice River area, is found one of the largest concentrations of electric energy in the world. Through construction of the Gouin and subsidiary dams, the flow of this river is regulated to make possible the development of more than two million h.p.

In the Montreal region, the Beauharnois project has an installed capacity of nearly 700,000 h.p. Nearby are the large Cedar Rapids plant and several smaller developments, while on Back River is the Montreal Island Power plant.

In the eastern townships area are a number of power projects, which, while smaller than those to the north, have made possible development of a number of local industries.

Along the Ottawa River are located other power plants. The largest are Gatineau Power, Ottawa Valley Power, Chats Falls and the Maclaren-Quebec development on the Lievre River.

MACLEOD-COCKSHUTT GOLD MINES is planning to resume production and has positive ore reserves above seventh level of 513,000 tons averaging 0.225 oz., according to report for year ended Sept. 30, 1945.

Total positive and known ore sources on deeper levels is estimated at 3¼ years' ore supply. Based on output of 1,000 tons a day mined, this represents a milling rate of some 670 tons a day due to hand and mechanical sorting. No. 2 shaft has been deepened 200 ft. below 11th level, while diamond drilling and partial drifting on four new levels show total ore lengths of 6,160 ft. across 13.24 ft. averaging 0.199 oz. (cut) grade.

INCOME ACCOUNT

Years Ended Sept. 30:	1945	1944
Bullion recov.	$729,920	$1,586,311
Less: Marketing	9,008	19,806
Net production	720,912	1,566,505
Less: Oper. exps.....	883,411	1,134,149
Oper. profit	*162,499	432,356
Add: Sundry rev. ...	11,566	7,369
Less: Deprec.	117,255	231,802
Extra devel.	13,470	26,940
Def. devel. w/o	20,799	138,148
Prov. for taxes ...	......	9,204
Add: Tax adjust.	†8,368	......
Net profit	*294,089	38,631
Less: Divids.	143,125	143,125
Deficit for year	437,214	109,494

†Adjustment of provision for 1944 Dom. income and excess profits taxes, since 1944 taxable income is eliminated by application of portion of loss for 1945.

*Loss.

Earned per Share ..	d$0.103	$0.012
Paid	0.05	0.05

CONDENSED BALANCE SHEET

As at Sept. 30:	1945	1944
Cash & bullion	$153,714	$451,574
Accts. rec.	30,882	3,954
Call loan	275,000	350,000
Dom. bonds	200,000	150,000
Mat. & supplies	233,970	270,958
Total curr. assets..	893,566	1,226,486
Prep. & def. chgs. ..	23,972	33,630
Def. develop.	89,139	125,634
Investments	17,002	14,502
Claims & props.	1,083,671	1,083,671
Plant & equip.▲	1,100,284	1,190,460
Total assets	3,207,634	3,674,383
Total curr. liab.	57,444	81,587
Capital stock	2,663,098	2,663,098
Earned surplus	487,092	929,698
▲After depr. of	1,244,813	1,127,558
Working capital	836,122	1,144,899

OPERATING STATISTICS

	1945	1944
Tons milled	*63,783	124,355
Av. recovery	$11.44	$12.76
Ore reserves, tons ...	513,266	586,652
Grade ($38.50 gold)	$8.66	$8.73

*To April 15.

DASTUR GOLD MINES reports a substantial amount of capital subscribed by American interests to finance completion of drilling program on its 12 claims in Dasserat twp., Que.

FREEBERT SNOW LAKE GOLD MINES reports a new development program being arranged for property in Snow Lake area, Man. Some 15,000 ft. of diamond drilling has been completed.

WHETHER you are selling bonds or biscuits it is not so much the number of people who read your advertisement as the return for your advertising investment that counts.

In Quebec City there are over 3,000 English-speaking families well above the average in purchasing power, served exclusively by the Chronicle-Telegraph. Many advertising campaigns fall short of success because this big buying group is overlooked.

There is no doubt about it . . . the Chronicle-Telegraph can give you the best, most thorough coverage in the ENGLISH MARKET of Quebec City.

Net Paid Circulation

5,400

6 mos. ended Sept. 30, 1945.

The Quebec CHRONICLE-TELEGRAPH

Government, Municipal and Corporation Securities

Business Established 1901

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French Canada's Largest Store

Dupuis Frères LIMITÉE

RAYMOND DUPUIS, President A. J. DUGAL, V.P. & Man. Dir.

Serving the public since 1868.

Mail Order Division 780 Brewster St. Montreal

"I don't have much to do with Cotton" . . .

says Mr. Winterbotham

But cotton has plenty to do with him though he doesn't realize it. He's forgotten his smart business shirt, **made of cotton**, but then that's sort of . . . er . . . well, "everydayish".

And that's just the point. Cotton plays a major part in our everyday lives though we seldom realize it. Take Winterbotham for instance. Besides his shirt he's wearing a tie, lined with cotton. His suit is lined with cotton and the pockets are made of it. His underwear is cotton; so are his handkerchiefs and his socks. His shoe-laces are cotton; his shoes are even stitched with real tough cotton thread. His window drapes are heavy crash cotton, the tapes and cords of his venetian blinds are cotton. Those binders in his office are cotton-covered and the oilcloth cover over his dictaphone has a cotton base. Mr. Winterbotham has plenty to do with his telephone . . . and its wires are all insulated with cotton. His secretary uses a cotton typewriter ribbon and Johnny, the office boy, even uses a cotton wiping cloth to dust over Mr. Winterbotham's desk in the mornings.

Yes, cotton has plenty to do with Mr. Winterbotham, as it has to do with all of us.

That is why Dominion Textile is proud to be part of an industry which is important to Canada and Canadians, not only as an integral part of our national economy, paying millions of dollars in wages per year, but as a vital factor in our everyday living.

DOMINION TEXTILE COMPANY LIMITED

Makers of Cotton Products For All Domestic and Industrial Uses Including Such Famous Lines As

Magog Fastest Fabrics — Colonial Sheets & Pillow Slips — Prue Yarns

"COTTON — THE MASTER FABRIC"

Planes to Help Quebec Develop Vast Iron and Other Resources

Few areas anywhere have experienced during the last three decades as sharp a rate of growth in mineral production as Quebec Province. Production value has jumped tenfold, and present indications are that real development of Quebec mining is just starting.

Latest major undertaking is pending exploitation in northern Quebec of important iron ore discoveries—a project expected to be one of the biggest current mining operations in North America.

A concession has been granted to Hollinger North Shore Exploration Co. embracing 3,900 square miles for an exploration period lasting until 1958, by which time Hollinger interests must have the ground in production and must reduce to and operate an area of 300 square miles. Associated in the development are the Hollinger Gold interests and the Hanna Co., which controls 25 producing iron mines in the United States and has been in business for 75 years.

The program in the iron ore project includes not only mine development, but the building of 350 miles of railway, development of Hamilton Falls for hydro power and provision of docks, towns, hospitals and other community enterprises. Expenditures totalling at least $200 millions are reported involved in initial stages of the new development.

The Quebec concession adjoins a concession, also under Hollinger control, in adjoining Labrador, under the name of the Labrador Mining & Exploration Co. The iron ore deposits occur in a great belt of Late Proterozoic sediments known as the Labrador trough. This extends southward 350 miles from Ungava Bay and averages 30 miles in width. As the Quebec portion of the trough lies northward of the part in Labrador, a railway line from the St. Lawrence River is likely to follow the Romaine River through Quebec, traverse a section of Labrador and then reenter Quebec.

The ore so far uncovered has been of exceptionally high grade, and early exploration work promises a large supply. In addition to iron, other metals have been found occurring in the district, and these also are likely to be developed. Quebec officials revealed that other responsible mining companies have applied for concessions north of the Hollinger concession.

Airplanes will transport equipment and supplies, especially during early stages of the work. An air field is to be opened up in the area, capable of accommodating heavy craft.

Large-scale mining in Quebec Province has been a comparatively recent development—but since it began, growth has been exceptionally rapid. In the first year of World War I, Quebec's mineral output was less than $12 millions. During World War II average production was up some 1,650% over that figure.

Since 1918 chief activity has been in the province's "Valley of Gold," a fabulously rich 100 miles of gold-bearing area stretching from the Ontario border through Rouyn, Cadillac, Malartic, Siscoe, Bourlamaque, Pascalis, Louvicourt, Vauquelin and Pershing Townships. Most of Quebec's producing metal mines have been within this 6,000-square-mile area—100 miles long and 50 miles wide.

A survey of this section of the Quebec mining industry shows that the province boasts some of the greatest gold and base metal operations in Canada. Besides that, the recent diamond drilling boom, which has been more evident in Quebec than in any other province, has provided a substantial number of prospective new mines—base metal and gold mine alike.

Many Good Prospects

Working eastward from the Ontario-Quebec boundary, it appears likely that two new gold mines will be developed before Rouyn is reached . . . the Arntfield and Wasa Lake properties near the producing Francoeur. The main producing part of the Rouyn area lies just north of the great Cadillac-Malartic break and the past year has shown many new mines there. In addition to the producers, Noranda, Waite Amulet, Powell Rouyn, Senator, Stadacona, Rouyn has just as numerous a list of prospects which appear to be "coming producers." There is Quemont, with its indications of great tonnages of copper-gold ore. There are numerous new gold properties —Anglo-Rouyn, Donalda, Elder, Habitant, etc. Other base metals —MacDonald Mines, Joliet-Quebec and Lake Dufault—are working to establish further base metals mines, if possible.

In the eastern part of Rouyn on the Cadillac-Malartic break, Rouyn Merger, Heva Cadillac and Hosco are all putting down to shafts to open up indicated ore bodies. Farther east, Cadillac, hard hit by the war, is enjoying a marked revival. O'Brien Cadillac was the only producer to survive the war but the area has bright prospects—with mills—in Alger, Central Cadillac, Pandora Cadillac. A little farther to the southeast, in Malartic, East Amphi, Norbenite, Parbec, National Malartic, have indicated sufficient to suggest coming producers, while there are numerous other prospects where results have been particularly encouraging.

Rival Rouyn "Finds"

In the Siscoe-Lamaque area, a little farther to the east, new discoveries have been rivalling those of the Rouyn area both in size and number. Outstanding discovery has been the copper-gold-zinc-silver deposits of the East Sullivan property. Aumaque, Louvicourt Goldfield, Lapaska, New Bidlamaque, Formaque, etc., have interesting gold properties, in the immediate area, while northeast, Cournor is expected to produce again. Pascalis, nearby, also looks like a potential producer.

Bevcourt, Buffadison and Regcourt in eastern Louvicourt have all made discoveries. A big program of work is under way at the nearby Vicour property. Vauquelin twp., next to the east, shows a number of encouraging prospects while Pershing, next east, has outstanding prospects in Croinor and Pershon.

All the good gold properties are not along the main belt. In the Mud Lake area, Belleterre is one of the province's best gold mines and in Aubelle Mines, the area has another drill-indicated mine. The drilling boom continues at high levels and it is quite possible that mine-finding will be maintained at the same rate in the province for some time to come.

Horne Was Pioneer

Real growth in gold production started shortly after World War I when Edmund Horne staked several claims in Rouyn Township. Noranda Mines acquired the Horne claims and within six years, the Horne discovery had become one of Canada's leading copper and gold mines.

This started increased interest in the area, and development of the Rouyn - Harricana districts with over a score of mines yielding copper, gold, silver, zinc, iron pyrites and selenium. In more recent years many other mines have been opened up in the district. The copper in the area also carries gold. From a production of less than 2.7 million pounds of copper in 1926, output rose to a peak of well over 100 million pounds.

During the war, particular attention was given to production of metals needed for war purposes, and a number of deposits were developed with this aim. Labor shortages tended to reduce output of gold. With labor conditions now easing, and with increased public interest in mining, numerous new deposits have been explored more fully, and there is promise of expanding production ahead.

Among less widely known minerals developed in Quebec recently are feldspar and brucite. Feldspar is now being produced in Quebec, sent to grinding mills in Buckingham, and ground spar is provided to the Canadian ceramic trade. At Wakefield, brucite is mined and milled, then shipped to the plant of Canadian Refractories at Kilmar for production of refractory brick. Brucite also is a source of magnesium metal, but only experimental production of magnesium has been recorded from this source.

Biggest Asbestos Centre

Most important of nonmetallic minerals is asbestos. In Quebec lies the world's greatest asbestos producing area. Mines in the Eastern Townships area, some in operation since 1878, are unique in that they can produce almost every type of asbestos fibre, and promise longer life than any asbestos-producing area known. Bulk of asbestos output is exported to United States, England and other countries. Asbestos production in 1945 showed an increase of 10% over previous year.

Potential mineral wealth of Quebec is believed only scratched. An important role is likely to be played by the airplane in opening up areas hitherto relatively inaccessible.

The Quebec Government has been giving increasing attention to mining development. It's program includes training for mine work and for prospecting, building up of a large staff of geologists and other experts, survey work, etc. New roads to mining areas also are planned, also draining of peat bogs in regions where mineral deposits exist.

Although not strictly a mining enterprise, production of aluminum ingots has become a major enterprise in Quebec. The bauxite ore used comes from South America, but the smelting and processing is done in Quebec. Ample low-cost power is important in producing metallic alumina, and aluminum, and Quebec's power wealth has resulted in development of the province as a major world production centre.

PORTO RICO POWER CO. preferred stockholders, through an action taken by McMaster University, have won the right to share with common stockholders in the surplus of the company. Montreal Trust Co., as liquidator, has been ordered to distribute a fund of $500,000 to preferred stockholders at rate of $50 for each preferred share, also preferred stock will receive pro rata distribution with the common stock of other assets available for distribution. One estimate indicates that this will amount to over $25 a share more. Contention that preferred shareholders were entitled to share equally with common shareholders in dividends was disallowed, however. The Quebec Superior Court had ruled against the preferred stock plea, but the Quebec Court of Appeals later reversed this decision, and the appellate court ruling has now been sustained by the Supreme Court of Canada.

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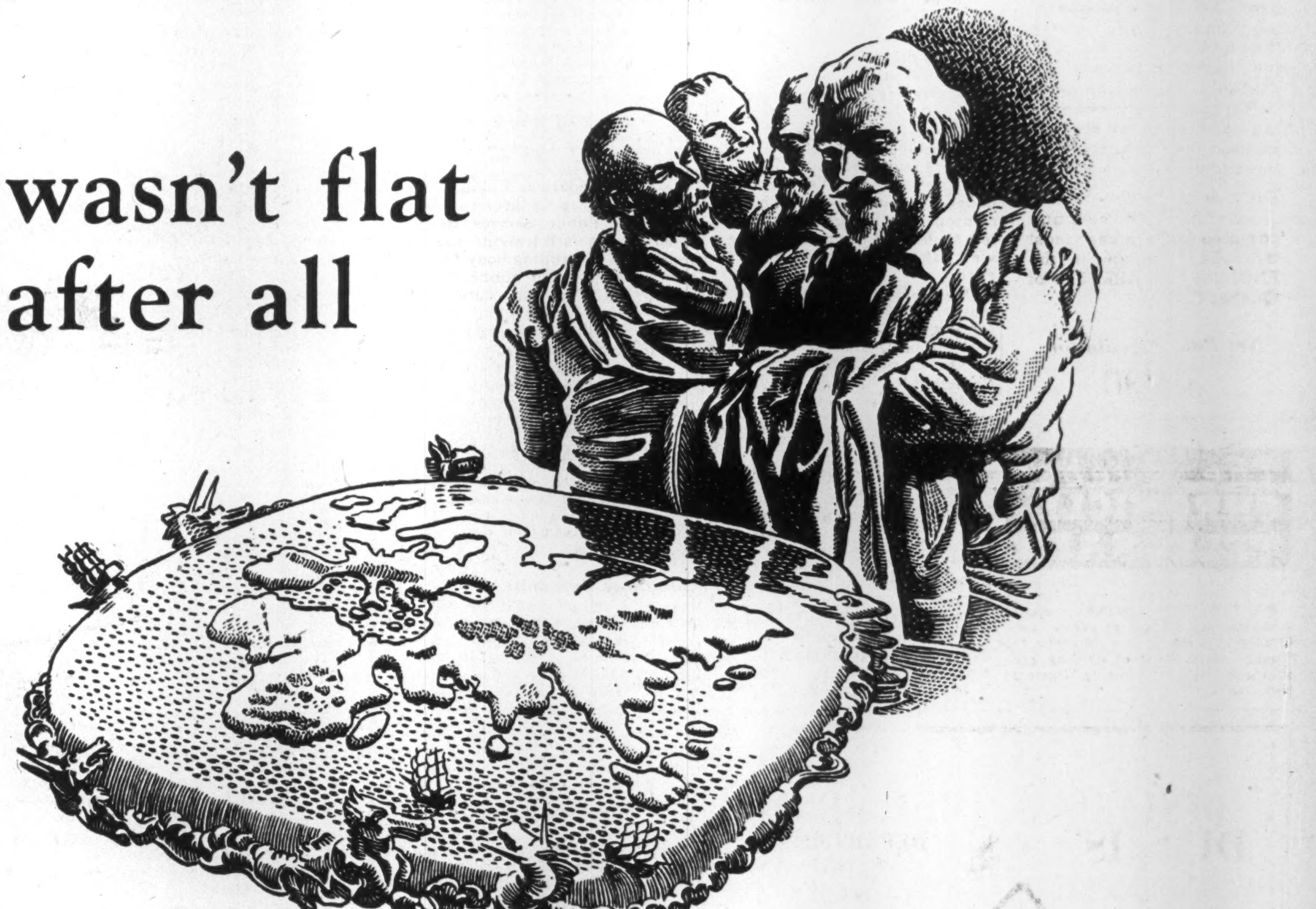
It wasn't flat after all



IT was impossible to get a global picture when the "known" world was flat as a pancake.

In each succeeding age, even flights of fancy are tethered to the principles known at the time. The transportation expert of stage-coach days saw the ultimate in speed inseparably linked with the horse. Then the steam engine upset his calculations. . . . Before the airplane, the movement of men and materials had to be calculated on the basis of surface travel. Then the discovery of the principle of flight changed all that. . . . Today, a new factor which is likely to change the face of political economy must be made a part of modern world thinking.

Synthetics—the new factor

Many present-day theories of trade, trade balances, world commerce, natural resources and distribution are based on principles evolved before this factor of synthetics development became such a potent force. Now, new calculations must be made.

Already, it is well established that the need for a given material can, in many cases, be more accurately met by synthetics than by Nature's raw products. That means climate and soil have lost some of their age-old power and influence.

What are the possibilities?

Thus, with dependence on natural resources modified, the steady advance in the employment of the synthetics principle brings up certain logical possibilities:

—It could be *that natural resources will fade in importance.*

—It could be *that trade between countries will be in ideas and methods instead of materials and products.*

—It could be *that distribution cost (that perennial whipping boy) will lose its significance, by having synthetics production take place in relation to markets.*

—It could be *that the wealth of nations might be reckoned in terms of what its producers have in their heads instead of what the land has in the ground.*

The larger view

It is this type of thinking that motivates the planning and research work at Celanese laboratories. The men and women engaged in the endeavor have their sights set on a goal greater than mere product improvement. They recognize that they are custodians of a principle which, in man's hands, can alter the economic picture for the good of mankind.

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Religious Institutions, Private Blocs Aid Quebec Operate Social Services

Objections from Quebec province to centralization of social service responsibility at Ottawa spring, in part, from the particular setup in social work found in the province.

Quebec is unique in that an unusually large proportion of social service activities is carried on by religious and private organizations. Religious institutions particularly have played an important role, aided by the provincial and local governments. In Montreal a number of the largest hospitals are maintained by private donations. In the past, funds provided by individuals for charitable work have been higher than in any other part of Canada.

At one time the social service work was relatively a simple setup. In the old days the seigneurs in the province looked after their tenants when times were hard, and various church parishes and family groups also looked after their own needy.

Disappearance of the seigneury system, and rise of industry in the province, changed the picture. Private contributions were called upon to a greater extent. In the depression of the thirties local and provincial governments found aid to the needy a major problem.

Levy Amusement Tax

Despite the fact that government aid to charitable work has increased, much still is done privately. This has been restricted of late years, however, by heavy taxes on the large income group and the decline in investment income of religious institutions.

In 1921 the provincial government took an important step toward assuming charity responsibilities by passage of the Public Charities Act. Under this act the province pays one third of the total cost of maintenance of needy persons in public charitable institutions, the local municipality pays one third and the remaining third is paid by the institution. In other provinces the more common practice is sharing of total cost between the province and municipality.

Municipalities collect the money for such work by a 10% amusement tax. Half the proceeds go to the municipal charities fund, half to the provincial public charities fund. The provincial fund is further increased by levies on licenses for places of amusement and race-courses; entry duties at race meetings; registration fees for apparatus employed in making bets or wagers on race courses, and the duties imposed on these bets and wagers.

Meals Are Taxed

The province also imposes a tax of 5% on each meal of 60 cents or more at restaurants. In addition, the provincial treasurer was authorized in 1929 to contribute to the charities fund a sum of $1 million annually out of the net revenue of the Quebec Liquor Commission. From these sources the Charities Fund gets between $4 millions and $5 millions a year. In past years a large proportion of this amount has come from vacationists who visited the larger Quebec cities to attend the races or to patronize liquor stores.

Besides assuming a portion of the hospital accommodation. of indigents, the Government guarantees the interest and sinking funds on loans contracted by charitable institutions. In 1943-44 expenditures of the Public Charities Fund exceeded $7 millions, or $2.8 millions in excess of revenue. Since July 1, 1939, annual deficits have been carried to ordinary expenditure of the province.

Since 1936 the province also has had an old age pension plan operated in accordance with the Federal plan of 1927. The Federal Government contributed 50% of the amount paid out by the province up to 1931, and 75% since then. Since 1937 the province also has operated a pensions for the blind plan, with the Dominion paying 75% of costs.

FAIRCHILD AIRCRAFT LIMITED
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WHAT'S NEW IN BUSINESS

B & M Electronics
will be the trade name on a new line of self-contained electronic phonographs, made by Brand & Millen Ltd. This new Canadian company expects to have the first machine off the assembly line by March. Turntable, amplifier and speaker will all be housed in a small mantel-sized wooden cabinet. New features of the machine include a spring-mounted turntable panel to cut out vibrations in the speaker and the pick-up arm mounted on a rigid metal panel to prevent the needle from shifting on the record. The company's plant is 16,000 sq. ft. of leased factory space in the Small Arms plant near Long Branch, Ont. President of the company is Paul M. Brand, vice-president T. I. Millen, both electrical engineers formerly associated with Rogers Majestic Ltd., secretary-treasurer is H. Lahman. New fluorescent lighting devices and electronic controls are two projects now under way in the company's experimental laboratory.

• • •

Moving Sidewalks
first appeared at the Chicago World's Fair of 1893, and they were picked up by the Berlin Industrial Exposition in 1896 and the 1900 Paris Exposition. Now reports from Moscow indicate that Kiev in the Ukraine plans five lines of moving sidewalks — four to connect various city districts with the central underground; the fifth, about two kilometres long, to connect the central park and the centre of town. Subway passenger conveyors of this type should cost about one tenth the price of an underground railway of equal length, and surface conveyors should be still cheaper.

• • •

125 Years of Work
for 1,000 men producing 1 million tons of coal annually is the estimated content of a new area of virgin coal being opened up at Nottingham, England. The shaft, to be completed by the end of 1948, is expected to cost £1.5 millions, and the plant will contain some of the world's most modern mine machinery. Proved coal is reported at 125 million tons.

• • •

$100,000 Addition
to the Canada Metal Co. plant, Toronto, is under construction to provide facilities for the manufacture of metal oxides. Principal product will be a type of lead oxide for storage batteries not before made in Canada. Annual volume at the outset is estimated at 5,000 tons. Employing about 25 persons, the plant is expected to open next fall, if equipment can be obtained on schedule.

• • •

Railway Automats
are promised soon by Britain's Great Western Railway. Inserting 6d. (10 cents) or 1s. (20 cents) in the slot will bring the hungry passenger sandwiches, salads, fruit, candy, cakes or cigarettes when the new equipment is added to buffet cars. Plans call for stand-up counters in front of big observation windows for those choosing the automatic service.

• • •

150,000 Prefab Houses
every 12 months could be turned out by 150 U. S. concerns now making or planning to make them, the Commerce Department's construction division reports from Washington. Included in the 150-firm total is a complete range of the product, from fully factory-built down to ready-made components. The 150,000 capacity estimate is based on ample supplies; and capacity in 1946, were inventories higher, might reach 100,000. Prices run from $2,000 to $6,000, exclusive of site.

• • •

"$100,000-a-Mile" Road
is what some engineering experts call the new 83-mile Hope-Princeton highway under construction in B. C. For its length there will be no costlier project, it is said; in some places the terrain is expected to bring costs up to the $100,000-a-mile figure. Anderson Construction Co., Fort William, Ont., has the contract at about $2,892,000.

• • •

Marvinal Resin
will be turned out at the rate of 11 million lb. yearly when a new $1.5 million plastic plant is erected by the Plastics and Chemicals Division, The Glenn L. Martin Co., Baltimore, Md. Just authorized by the board, the new plant will manufacture raw material for use in multi-colored wire insulation, transparent garden hose, hospital sheeting, wrist-watch straps, woven fabrics, handbags, large meteorological-type balloons, tubes, serving trays, surgeons' and industrial gloves, "rubber" heels.

• • •

Faster Cooking
is promised by a radically new automatic gas-burning deep fat fryer for use in commercial and institutional kitchens. The fryer, a Canadian invention, is still undergoing minor adjustments to the two pilot models now being tested; but will be in production by April, manufacturers hope. So simple in operation, the fryer is said to make it easy for the greenest cook to prepare 750 portions of chicken an hour. Principle involved is the holding of a constant concentration of heat and adjustment of cooking time by an automatic device correct to the last second. Market price is estimated at $550, tax included. The mated at $550, tax included.

• • •

Building Material Prices
soon will move higher, manufacturers and jobbers expect. They look for substantial Prices Board adjustment on some key items in short supply. A large and representative number of such firms, The Financial Post learns, recently has moved to eliminate firm quotations meanwhile. Typical is a circular letter to customers of Canada Building Materials Ltd., Toronto: "Owing to the change in conditions of sale by manufacturers of building materials, we are compelled to alter our terms of sale on same. Please be advised that on and after this date (Feb. 5) our quotation and acceptance of orders for future sales will be at the price in effect on the date of delivery."

Manufacturers of products that are either completely new or are being made in Canada for the first time are invited to contribute to this column. Describe the product, state its purpose, outline in what respects it is new, and indicate its significance to its field.

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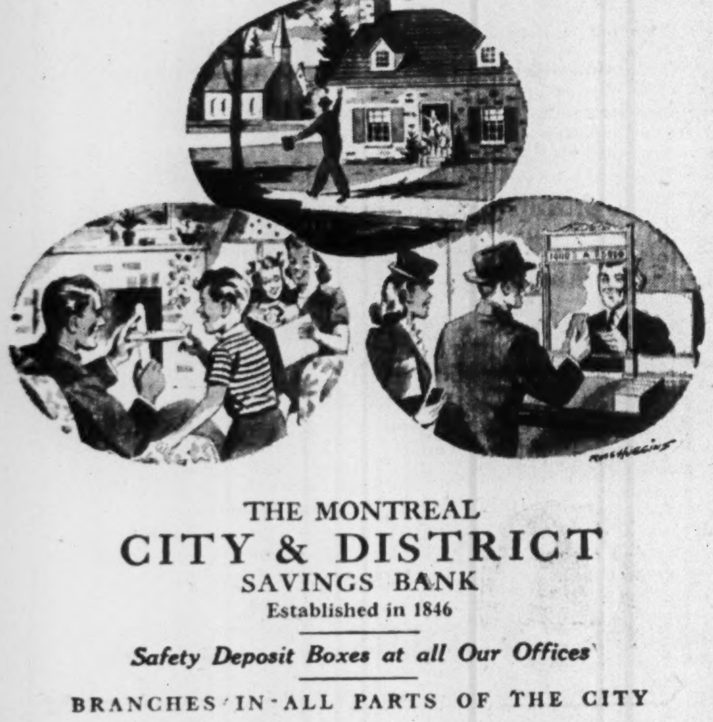

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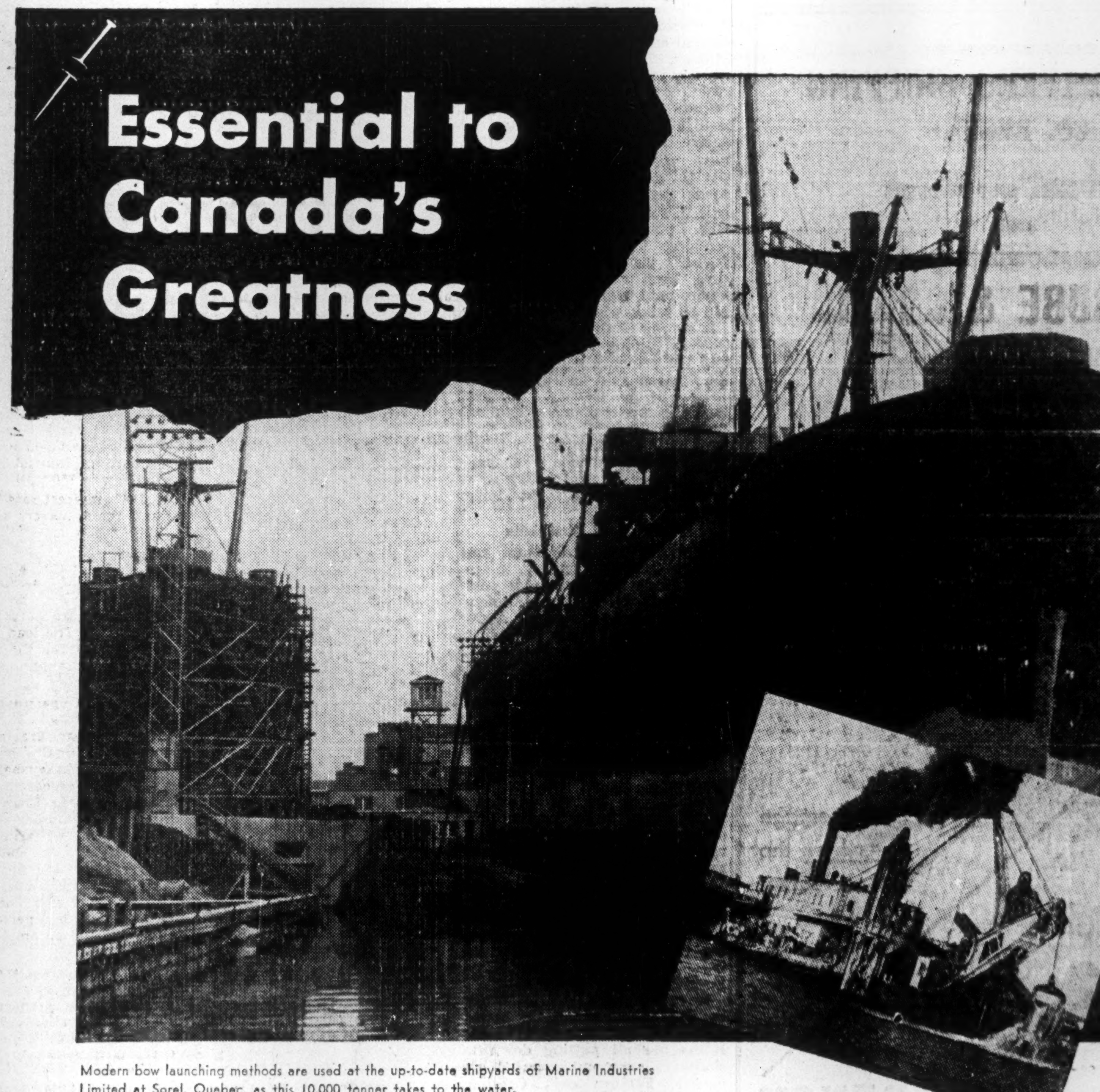

Modern bow launching methods are used at the up-to-date shipyards of Marine Industries Limited at Sorel, Quebec, as this 10,000 tonner takes to the water.
Inset: one of our dredges at work on the St. Lawrence River.

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P. A. Lavallée
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A young, vigorous country, bountifully supplied with natural resources and rich in the industry of her people, Canada produces vastly more goods and materials than she can use. The products of her fields, forests, factories and mines, beyond those required within her own borders, must find markets in other parts of the world. Great fleets of cargo ships and deep, open waterways are indispensable to Canada if she is to retain her proper and prosperous place among the great family of nations.

Marine Industries Limited at Sorel, Quebec, has facilities which are essential to Canada's greatness. With immense shipyards, the longest marine railway in the world, a great variety of dredging equipment, plus a wealth of experience and know-how, Marine Industries Limited is particularly well qualified to serve this Dominion in any capacity relating to ship building, ship repairing or dredging.

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Quebec Agriculture Key Factor In Feeding War, Postwar World

Quebec generally is classed as an "industrial" rather than farming province. During the war, however, it played a prominent role as a food producer for United Nations needs; and it continues to hold importance for its agricultural output in the present period of world food shortages.

More than 15% of value of all-Canada agricultural production is centred in Quebec. At times the proportion has been considerably higher, particularly during periods when western wheat demand was relatively low. For Quebec's farm production is diversified, with the province ranking high in dairy production, maple products and other farm output as well as in field crops.

During the war years, despite labor shortages, Quebec maintained farm output at a relatively high level—a factor of considerable importance in the war. Future production is expected to increase, as manpower and machinery supplies become more abundant.

In field crops alone, despite the fact that acreage sown is much less than acreages in the Prairie Provinces, value of Quebec's production in 1945 was 15% of the total for all Canada. A decline in values from 1944 was due chiefly to lower value output for potato, turnip and sugar beet crops.

The comparison for Quebec is all the more striking when it is considered that big wheat crops and relatively high wheat prices have jumped the totals for the Prairie Provinces sharply in recent years. How Quebec compares with other provinces in field crop production the last two years is shown in the following table:

Value of Field Crops
(Thousands of dollars)

	1945	1944	% Change
P. E. I.	18,755	18,248	+3
N. S.	20,660	21,998	—6
N. B.	34,138	37,978	—10
Que.	161,776	164,983	—2
Ont.	230,264	219,237	+5
Man.	136,814	149,019	—8
Sask.	295,223	448,894	—34
Alta.	177,061	237,869	—26
B. C.	24,168	23,082	+5
Canada	1,098,859	1,321,308	—17

Leads as Hay Producer

High ranking among field crops produced in Quebec are hay and clover, oats and potatoes. The hay and clover crop last year brought $90,940,000. Quebec is far the leading producer of this crop, Ontario, in second place, having a 1945 total of $69,552,000.

Quebec field crops have contributed to its high ranking position as a dairy products province. Nearly 30% of all dairy production in Canada is centred in Quebec. In 1944, this branch of farming activity brought Quebec farmers nearly $108 millions.

In creamery and dairy butter, Quebec leads all other provinces; and it is second only to Ontario in cheese output. The war has given a sharp impetus to dairy production in Quebec. The province also is in the front rank in egg output.

In livestock, Quebec vies with Ontario for first place. In recent years, hog production has been steadily moving up, with the province playing a leading role in supplying hogs to packers for filling of Canada's bacon export commitments.

Quebec holds first place in output of flax fibre. In recent years more than a score of flax processing plants have sprung up in the province.

Fruit and vegetable production was augmented in the war years by increase in home gardening. Some 80 commercial canning factories operate in the province. In addition, there were (in 1944) 1,775 holders of permits for domestic canning, exclusive of the commercial canning plants. These permit holders canned on the farms fruits, vegetables and meats for commercial purposes, to total value of $656,201, in 1944, an increase of 41.8% over 1943.

In recent years, beet sugar production has grown in importance in the province. The Government has established at St. Hilaire a new sugar beet refinery, which has become an important producer of sugar.

In maple sugar, Quebec is by far the outstanding producer. In 1945, it produced 1,804,000 pounds of maple sugar out of the all-Canada total of 1,920,000 pounds. Output of maple syrup in 1945 totalled 1,203,000 gallons, the all-Canada total 1,338,000 gallons. Gross farm value of Quebec's maple sugar output last year was $469,000, gross farm value of its maple syrup output $3,549,000.

Quebec has been giving increasing attention to keeping men on the farms. During the '20's there was a heavy movement (as was common elsewhere) from the farms to the cities. The province, to halt this movement, gave increased attention to improving the lot of the people in rural communities, and as a result the cityward trek was halted. In the war years, however, development of war industries, paying relatively high wages, drew many farm workers to the cities.

The Quebec Government is now giving renewed attention to making farm life more attractive. Inducements for setting up farms in unsettled areas are one method used. In addition, the province plans to widen the area where electric service is available. Private power companies are co-operating, in connecting rural districts to electric transmission facilities.

The province for some time has had a program of free training in handiwork crafts. This tends to make farms more self-sufficient, and to reduce the number of commodities for which they have to pay cash. In addition, production of handiwork for sale to tourists and others has added considerably to farm incomes.

In encouraging the pulp and paper industry in the province, Quebec also is helping its farmers. Wood-cutting in the winter has become an important source of income in the off-season for many farm workers.

The Provincial Government recently has been giving attention to improvement of rural schools. At the coming session of the Legislature, a plan is to be proposed whereby the province expects to take over responsibility for raising money for education needs, instead of leaving everything to local communities. It is proposed that industry and business will be taxed for education, not just local property owners.

Farm Credit Plan

Since 1936, the province has had a provincial farm credit plan, to aid agriculture. A Farm Credit Bureau is charged with acceptance or rejection of applications for loans, establishment of the value of farms offered as mortgage security, settlement of the amount of each loan, and use to which the loan is put.

Originally the bureau had at its disposal $10 millions for loans; the amount now is $50 millions. Since April, 1941, interest rate has been 3%, and the loans are repayable by 2.714% amortization. The yearly payment which the borrower must make amounts to 5.714%, payable semiannually. Any installment of principal or interest unpaid at maturity bears interest at 5%. The loan is repayable in 25 years, but the borrower may repay beforehand, wholly or in part.

The Quebec Department of Agriculture is divided into the following branches: rural economic, extension, animal husbandry, horticulture, field husbandry, information and research. In addition to the Farm Loan Bureau, there are a number of other special activities, including the Drainage Bureau, the Dairy Industry Commission and the Agriculture Merit Competition for junior and senior farmers. The department has its own experts, including a provincial entomologist and a botanist.

Farm co-operatives are encouraged, with latest figures showing 462 agricultural co-operatives, 93 agricultural societies, 668 farmers' clubs, 136 young farmers' clubs and 850 farm women's clubs. The province has three colleges of agriculture leading to the B.S.A. degree, 17 secondary schools of agriculture and six agricultural pilgrimages.

Sorel Had Big War Role Producing Ships, Guns

On the western bank of the Richelieu River, where it joins the St. Lawrence, is found a city, Sorel, which exemplifies a spirit common throughout the province—a mixture of the old Quebec and the new.

Shipbuilding has been carried on for generations at this spot, just down the river from Montreal, with wooden sailing vessels made in the early days at what were then known as the Manseau Shipyards. Ships still are made at Sorel, but the scene is vastly different from the early days. It is the centre of as impressive a group of modern buildings as may be found anywhere in the world.

World War II was largely responsible for Sorel's rocketing ahead as a major industrial production centre. Before the war started munitions were already being made there, in co-operation with French experts.

Sorel Industries, Ltd., was the company charged primarily with war production. The Sorel Industries plant, with 2,000 machines housed in buildings spread over 52 acres of ground, from 1941 on, produced each month more than 4,000 tons of high quality alloy steel in the form of ingots, billets, light and heavy forgings, and finished machine parts of every size and shape.

Sorel Industries was built originally as a war plant devoted exclusively to manufacture of 25-pounders and carriages, as well as navy guns. It is the only plant in the western hemisphere where work started at the scrap pile and ended with finished fighting weapons. Negotiations are now under way to make use of the Sorel Industries facilities for peacetime work.

Shipbuilding was carried on during the war at Sorel by Marine Industries, Ltd., controlled by the same interests as Sorel Industries. Facilities were expanded from 24 acres to 100. War vessels produced included corvettes, minesweepers and base supply vessels for the Canadian and British Navies, and 10,000-ton cargo ships and oil tankers for Canadian wartime merchant shipping needs. At the shipyards is found the largest and longest end-haul marine railway in the world.

Marine Industries, unlike Sorel Industries, has had no major postwar transition problem. The company has on its books or in sight, sufficient orders to keep it busy to the end of 1947. At present the company is working on construction of a new ferry to serve Prince Edward Island, scheduled for completion this fall.

The company also is constructing four cargo vessels for the French Government, to be powered by Diesel engines, and to have a speed of 16½ knots. Another order from the French Government is for construction of 15 Diesel-powered fishing trawlers, to cost $330,000 each.

Another department of Marine Industries, Ltd., is the dredging division, a business which always has been the basic activity in the past.

An associated company of the Sorel plants, Engineering Products of Canada, Ltd., operates in Montreal an engineering and tooling plant erected in 1941. At present, among other activities, the engineering company is making parts for helicopters.

KIRKLAND LAKE GOLD MINING CO'S internal shaft has been completed to 5,450 ft. and rich ore bodies partly developed at this level will be available for mining, President J. B. Tyrrell states in report for 1945. Four new levels will be opened and developed.

Some years ago six veins for a total length of 800 ft. across average width of three feet and grading $23.-95 ($35 gold) were developed on 5,450-ft. level from No. 2 winze. Nearly every face was in ore when work ceased, Mr. Tyrrell reports.

INCOME ACCOUNT

Years Ended Dec. 31:	1945	1944
Gross production	$1,086,212	$1,053,156
Less: Oper. exps.	782,534	781,886
Taxes	60,292	66,052
Net oper. earn.	243,386	205,218
Add: Other inc.	9,579	11,685
Total net inc.	252,965	216,903
Less: Deprec.	75,274	62,292
Net profit	177,691	154,311
Less dividends	213,068	213,068
Deficit for year	35,377	58,457
Earnings per Share and Dividend Record:		
Earned	$0.033	$0.029
Paid	0.04	0.04

CONDENSED BALANCE SHEET

As at Dec. 31:	1945	1944
Cash & bullion	$369,879	$396,837
Bonds	161,092	206,450
Accts. rec.	2,110	1,065
Mine stores	107,708	130,234
Total curr. assets	640,789	734,586
Develop. acct.	551,103	551,103
Def. chgs., etc.	2,727	2,144
Other co. shs.*	15,891	15,891
Mng. cls. & prop.	4,221,706	4,221,306
Plant & equip.▲	459,346	391,610
Total assets	5,891,562	5,916,040
Accts., tax., etc., pay.	92,777	79,057
Work. Comp. Bd.	......	3,421
Total curr. liab.	92,777	82,478
Capital stock	5,326,699	5,326,699
Surplus	472,086	507,463
▲After depr. of	910,613	835,410
*At cost less reserve.		
Working capital	548,012	652,108

	1945	1944
Tons milled	85,359	77,457
Av. recovery	$12.73	$13.60
Ore reserves, tons	364,384	352,968
[illegible]	[illegible]	[illegible]

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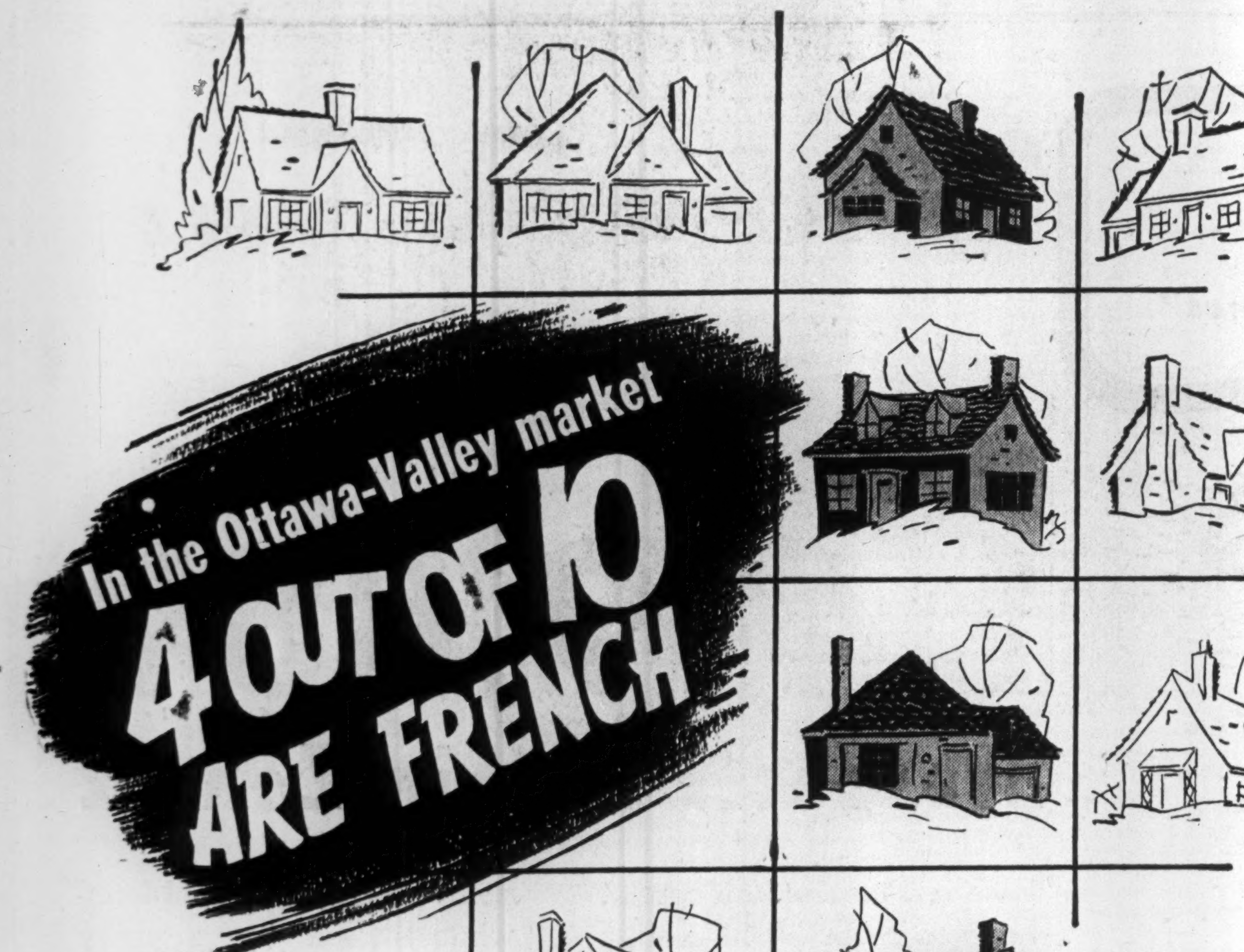

Four out of ten of the total population of Ottawa, Hull and the surrounding Ottawa Valley are French speaking Canadians. Annually this wealthy market of French Canadian families spends upward of $52 millions on Groceries, Clothing and Drug items alone.

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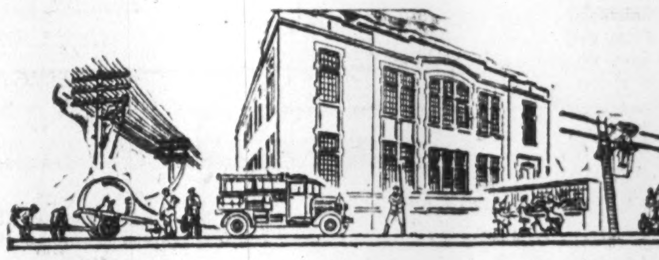


The Telephone Talks the Language of the Quebec Market

Since the war began, telephones in service in the Province of Quebec have increased by over 94,000.

Despite shortages in practically all types of telephone equipment, an extraordinarily big and effective telephone job was done throughout the whole war period.

And since the war ended, although material shortages continue, telephone service, local and long distance, has expanded at an unprecedented rate.

Some 47,000 telephones were added to our system in Ontario and Quebec since V-E Day — 34,000 in the five months following V-J Day. There are still many thousands of deferred orders on our list, but we are making progress, and not a moment will be lost in overtaking the back-log.

Long distance calls reached record volume — they have continued to increase since the fighting stopped. Here, too, as our facilities increase, we hope to regain the speed of service achieved before the war — even to increase it.

Plans for 1946 call for major extension of telephone facilities — urban, rural and long distance. As quickly as manufacturers can provide equipment, we shall do our part to restore all phases of telephone service to pre-war levels of speed and efficiency and to make it of still greater value to everyone.

THE BELL TELEPHONE COMPANY OF CANADA

Ottawa Studies Free Port System Not Yet Fully Sold in Benefits

Free ports are again under review at Ottawa.

Last year the Government named a committee to have another whirl at this hardy perennial. The committee sought views and opinions from harbour authorities, boards of trade, or anyone who was interested pro and con. These reports were all to have been in by mid-December. It was hoped the committee would be ready to report by the middle of this month.

It hasn't been possible to keep to this schedule. Returns and questionnaires have been slow in coming in. Committee members have been busy with other matters. But sometime soon, it is likely there will be a new gathering together of facts, figures and information on this subject.

The committee report will be eagerly awaited by ports and individual boosters who have long favored something of this sort. Just now, there is little or no comfort or support at Ottawa for the free port idea. Nor is there much evidence of interest in the question, except at Quebec.

The general argument put forward is that even a large port such as New York introduced the free port zone only in 1937. While a certain amount of business has flowed through the free zone since that time it is small in relation to the port as a whole. Also, it is questioned whether the creation of a free zone has diverted any additional traffic—traffic that would not have come in any event.

Doubt Benefits

Also argued is the view that free ports had their genesis in Europe where large centres of population found themselves near a good port, but hampered in using that port by a conflict of national customs and other barriers. It is argued that this condition does not exist in Canada and that free port zones are therefore unlikely to prove a worthwhile investment under the free conditions of Canadian law.

Most active support, indeed the chief agitation for a free port zone, is presently coming from Quebec city—the constituency of Rt. Hon. L. St. Laurent. In that city, officials and business groups have all urged the creation of a foreign trade zone. In Halifax, individual members of the Board of Trade and city council (including the mayor) are reported to favor such a move. Victoria has prepared a brief for the federal government, supporting the plan. New Westminister's city council appointed a committee, which debated for 10 months, then opposed the idea. Vancouver is still considering it. Montreal circulated questionnaires about it. Saint John merchants are definitely in favor. Even inland Windsor is talking about a free zone for U. S. goods, shipped through Windsor.

Basic principle of free port, free zone, foreign trade zone, or whatever else you like to call it, is this: An area is provided in a leading port, supplied with harbor facilities, warehousing space, transshipping machinery, other installations. To that area shippers can bring goods from foreign countries, without paying duty. The goods are unloaded, repacked, "manipulated" (as importers call it) in other ways, and reshipped to their ultimate destination.

Only goods which go from the free port into the country itself are subject to duty. An example, cotton and woollen piece goods from the United Kingdom are examined, cut, sampled and various lots are recombined for export, from the New York foreign trade zone. Only finished packages consigned to New York firms for manufacture or resale pay U. S. duties. Others are re-exported, pay duty to countries of ultimate destination.

Say Business Boosted

Object of establishing a free port area is to increase business of the port itself. Free port proponents say business is pulled to a foreign trade zone because:

1. Goods can be shipped in money-saving large quantities to the central area, instead of in small shipments to each of several adjacent areas.

2. Seasonal goods can be shipped at the peak of the season, stored until they become saleable without repayment of heavy customs duties. Example: Nuts from south America are picked and shipped before the spring rains, then held at New York until the Christmas buying season. Without the "free port" importers would have to tie up for the whole storage period additional money to cover customs duties.

3. Goods can be weighed and graded in the free zone before entering the customs area. Brazil nuts shrink 10% in the drying and cleaning process. When the graded nuts are brought from the zone to the United States duty is paid only on the imported weight.

4. Shippers can pick up new cargoes more easily at free ports.

Opponents of the scheme allege that the free port zone offers no more advantages than the practice of admitting goods in bond, or of refunding customs duties on re-exports. But supporters reply that the bookkeeping alone makes this an inefficient plan. One firm in Saint John brings in peanuts. Some of the cargo may be sold in the shell, some salted and some as peanut butter. It is almost impossible, this firm says, to show the customs people which peanuts were sold in what form and what portion was shipped out of the country.

Innovation in New World

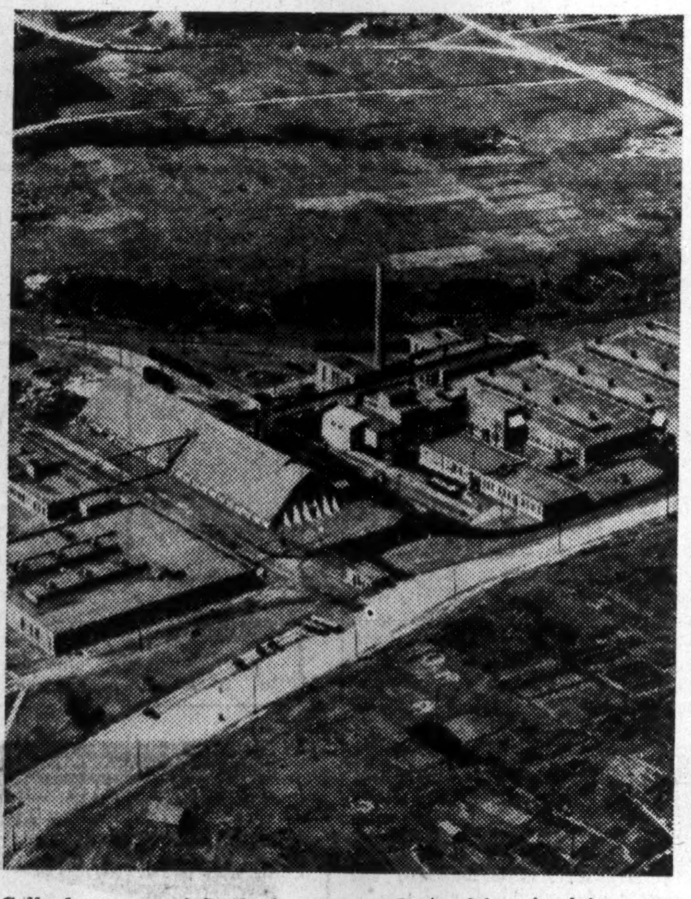
Common in Europe for years, free ports are comparatively new to the North American continent. New York established a free zone in 1937, and after a comparatively slow start, use of free port facilities soared. Cargo received was valued at $1.17 millions in 1937, at $89 millions in 1941, last U. S. peacetime year. Weight of cargo received rose from 11,000 in 1937 to 137,000. Customs payments to the U. S. treasury rose from $30,000 to $2,868,000. In 1941 the world market for Netherlands East Indies tobacco was transferred from Amsterdam to the New York foreign trade zone. There, Sumatra tobacco leaf enough to wrap five billion cigars has been held in live storage and subsequently auctioned. J. Theodor Cremer, president of the Netherlands Indies Produce Co. recently told the U. S. Secretary of Commerce that without the free zone this move would have been impossible. Tobacco, which shrinks greatly in processing, pays a U. S. duty of $1.50 per pound. Paying this amount before processing and storing would have been impossible. Tobacco auctioned at New York in 1941 was re-exported to 26 countries.

Here's what Thomas E. Lyons, Executive Secretary, U. S. foreign trade zones board told the Lions Club in Quebec in July, 1945, answering typical arguments against the zone proposal: 1. New York found there is less smuggling through the foreign trade zone than any other area; 2. Bonding privileges, useful to local merchants and importers, are not sufficient for large-scale traders; 3. The U.S. plans to establish more foreign trade zones in the near future.

Major obstacle in the way of establishing such facilities in Canada is the high overhead involved. Free ports need better than average docking, warehousing and "manipulating" facilities. Some European cities have installed such facilities, only to find that presence of a number of free ports in the area reduced the amount of business at each port, made it difficult to carry the initial cost.

Chairman of the committee now deliberating is J. E. St. Laurent, vice-chairman of the National Harbors Board, other members include: Dr. C. A. Annis, tariff investigator, Department of Finance; H. W. Brighton, director, export section, shipping priorities committee, Department of Trade and Commerce; G. N. Bunker, chief inspector, customs and excise, Department of National Revenue; Dr. Stuart Bates, Economic Research Department of Reconstruction.

Last full-dress review of the question was in 1936, when the Senate passed a bill to establish free port zones, and the House voted it down on second reading. Case against, presented by Minister of National Revenue J. L. Ilsley, concerned chiefly loss of customs revenue.



Cellophane, one of Quebec's many products of forest origin, comes from this Canadian Industries Ltd. plant at Shawinigan Falls.

Off-again-on-again Plant Closed Anew

From Our Own Correspondent

WOLFVILLE, N.S. — Another shutdown has occurred at the General Foods Co. plant in Kentville, where a British Food Ministry contract for dehydrated potatoes was given last summer, cancelled in the fall, renewed one month later, and is now held up again. This time the trouble is scarcity of potatoes, storage supplies having been disposed of in other markets when the contract was called off.

There is a shortage also of cans in which to pack the product. The management hopes to find sufficient supplies of both to start work again soon. Nearly 300 workers were affected.

NOVA SCOTIA — fruit growers are seeking better packing of apples, including some improved form of container for less-than-barrel quantities. Hand-coopered barrels have been in general use by Annapolis Valley orchardists and shippers ever since the industry began, but there is a demand now for a smaller container in both domestic and export markets. The perfect container hasn't been found yet.

CHARLOTTETOWN REPORTS—that 18,213 automobiles were ferried across the Prince Edward Island-mainland route last year by the Canadian National Railways system, an increase of almost 50% over the 1944 figure of 12,445. A total of 11,234 freight cars of produce left the province by this route in 1945. Over half of these were potatoes, with smaller quantities of livestock, and turnips and other crops.

HALIFAX LUMBER — shipments are still hampered by lack of shipping space, on top of government quota allotments. Markets in the United States, Great Britain, and southern trade centres would take considerably larger quantities of spruce and hardwood lumber than there has been shipping this winter to accommodate.

DARTMOUTH—Nova Scotia, has achieved the cheapest borrowing that has been done by any municipality in the province for a long time. Seeking $235,000 for a new ferryboat, the town has sold three per cent 20-year bonds at price of 102.177, making interest cost 2.77%. Highest of seven bids, made on this basis, was by Stanbury & Co., of Halifax.

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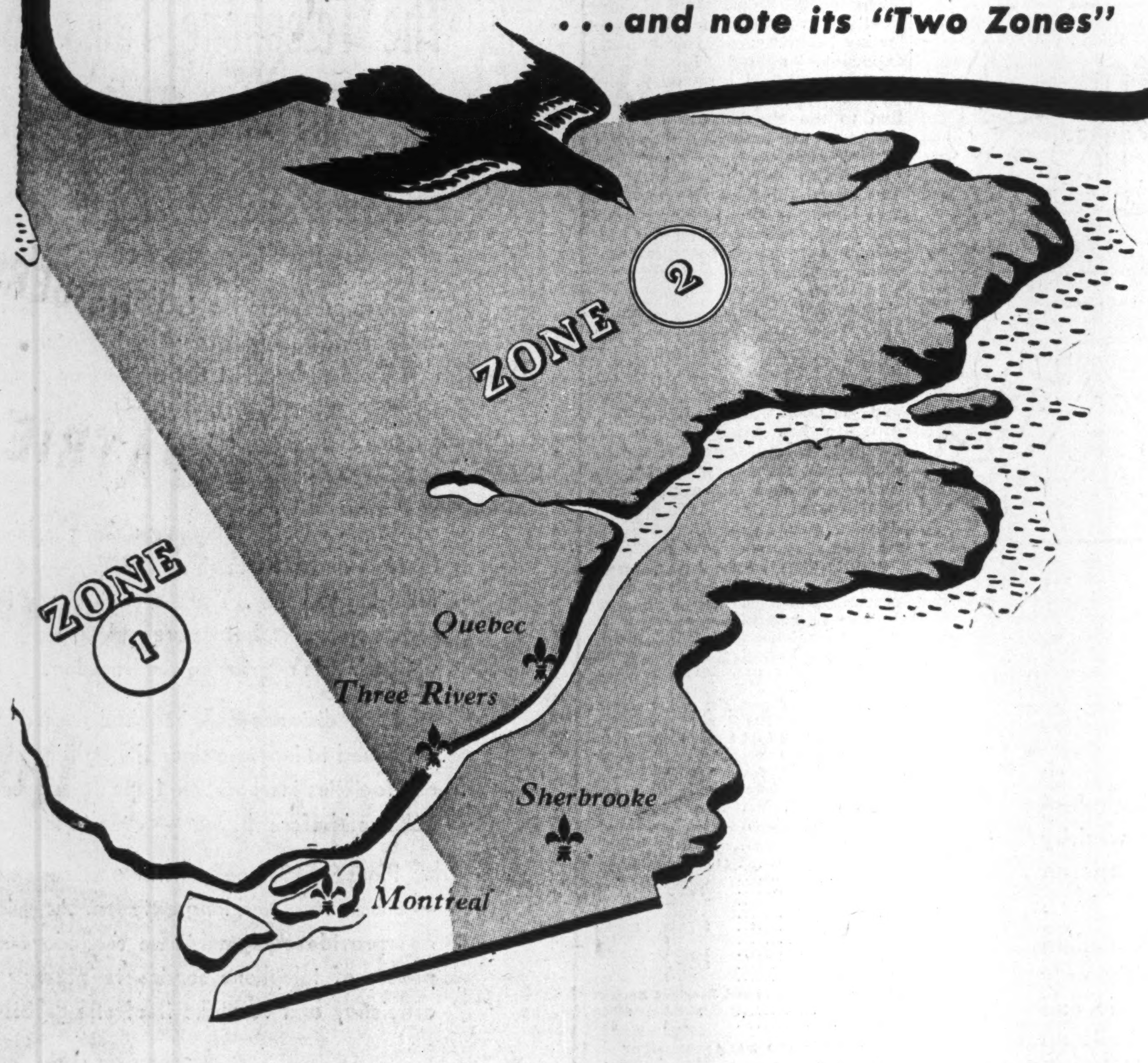

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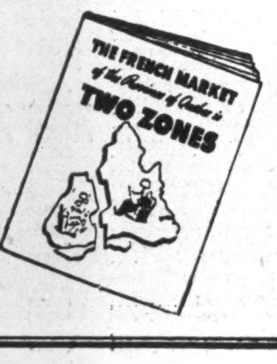

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Handicrafts Big Factor In Life of Rural Quebec

Increasing attention is being given by the Quebec Government to specialized training of the youth of the province. The program includes not only schools to give specialized training in industry, and trade education for war veterans, but also handicraft training, particularly in rural sections.

Further legislative measures to encourage this work are expected at the coming session of the legislature.

In the field of training for handicraft work, Quebec has pioneered. Schools are now scattered throughout the province and their numbers will be increased this year.

The handicraft program has several aims. From the economic standpoint it is important in that it is enabling the rural dweller to become more self-sufficient, as well as to add to his income by work in his farm home during the winter. Another result is that it has created a new interest, a creative interest, among farm workers, and has tended to make them more content with rural life.

From the standpoint of the province as a whole, it has increased the attractions for tourists, is expected to encourage tourist travel through rural areas where fine examples of handicraft can be purchased at farm homes. Also, to the tourist, handicraft activities lend color, "atmosphere."

Fireside industries in the province spread right through the war years. Now that the tourist trek is expected to be resumed in increased volume, hand work will be available which is likely to appeal to the vacationist, and to add income to the farmer, as well as the enjoyment he obtained in his work.

Not only in rural communities but also in the cities, handicraft schools have proven popular. Revenues involved in sale through big merchandising companies, have jumped into the six-figure category annually.

There are now indications that Quebec handicraft will find a market in the United States, South America and other export areas. The demand has been keen since European handicraft work was shut off.

The movement in Quebec was started in 1930, with opening of a government school to train instructors for rural communities. The first work was displayed in Canadian Handicraft Guild Shops in the larger cities. Also, work was displayed in front of farms along motor highways. More recently large department stores have been used for sales.

As community organization work has been perfected, quality of the workmanship has been steadily improved. One of the chief sources of supply for handicraft work is the rural housewife.

During the past year the Government has set up a Bureau of Handicraft and Small Industry, charged with development of handicraft activities.

Special postwar activities in matter of special training include co-operation with the Federal Government in the school set up at the Bouchard plant to train war veterans to be hotel chefs. The province has loaned a staff specialist as well as various trained cooks, to help as instructors and in administration. This activity is in addition to the province's own schools.

Managed Investment

Canadian Pacific Sold For MacNab Account

CPR is now selling at its highest price since 1931. Though fixed charges have been substantially reduced since 1939, the huge volume of war freight and passenger traffic is now over and costs are considerably increased due to the recent increase in wages, plus increased costs of materials and supplies, MacNab's manager says.

The MacNab Fund Transactions

(Transactions are as of Jan. 30, 1946)

No. of Shares	Security	Sales Price	Net Proceeds
SOLD:			
25	C. Pacific (com.)..	$24½	$605.75
$500	Canada 3%, 1963...	$103	$519.17*
	*Accrued interest $4.97.		
BOUGHT:			
$1,000	Canada 2%, 1946	$100.95	$1,012.02*
	*Accrued interest $2.52.		
Cash balance credited to account			$113.70

MacNab's Manager Says:

Reduction in excess profits tax to 60%, plus tremendous unfilled demand for consumer goods, will continue to act as a strong influence on stock prices for the next year or so. But it may be advisable to accept profits on certain stocks which appear to have outrun intrinsic values based on a fair capitalization of earnings per share.

I have decided to sell your Canadian Pacific Railway common. It is estimated that the road will earn about $1.70 for 1946, not including "special income" for investments such as dividends on Smelters' stock, etc. It is reported that buying orders from New York have had a strong influence on the price of CPR during the last few months.

I am taking advantage of the conversion offer of Massey-Harris preferred stock, to convert 10 shares of preferred into 20 shares of common. It is reported that this conversion privilege must be exercised immediately, otherwise when 1/3 of the preferred shareholders convert, the ratio drops to 1½ shares of common for each share of preferred. It is believed in reliable sources that Massey-Harris Co. will place the common stock on a dividend basis during 1946. In the meantime your income will be reduced by the amount of the preferred dividend ($12½) at the rate of $1.25 per share on 10 shares.

The price earnings ratio as a yardstick of stock values seems to be the best yet devised. I am listing in the following table the price-times-earnings ratio of the industrial and utility stocks held in your account, based on 1945 or latest available earnings per share, giving effect to the 10% excess profits tax **but making no allowance for any increase in earnings for 1946.**

Company	Est. earns. 60% EPT (1945)	Current Price	Price Earns. Ratio
Bell Tel.	$11.08	$190	17
Brazilian (est.)	3.00	29	10
Cdn. Brew.	1.35	27½	20
C P R	1.80	24	13
Cdn. Cel.	4.54	62	14
Cdn. Westing.	3.80	58	15
Ford (Canada)	2.07	32	16
Inco	1.55	44	28
Nat. Steel Car	1.55	28½	18
Powell R.	1.86	32	17
Price Bros.	2.65	59½	23

Under normal conditions a price-times-earnings ratio of 20 would seem to be a reasonable valuation of any industrial or utility stock, thus allowing for earnings to be capitalized on a 5% basis. Nevertheless powerful forces of inflation seem now to be in full sway in the market which could easily drive stock prices much higher, on the average, than a 20 times earnings basis, even as high as 30 times.

MacNab Fund Now Stands

No. of Shares	Security	Cost per sh.	*Market per sh.
	Common Stocks		
50	Argus warrants	..	3
10	Bell Phone of Can.	160	189
15	Brazilian Tract.	26¾	28¼
55	Can. Breweries	13¼	25
10	Can. Celanese	50	66¼
10	Can. Westinghouse	55	62
15	Int. Nickel	36	46
25	Nat. Steel Car	18¾	28¾
20	Ford of Can., A	25¼	31
25	Powell River	18½	32
15	Price Bros.	35½	57
	Mining Stocks		
50	Bralorne	14½	18
25	Hollinger	10	19½
	Preferred Stocks		
5	Algoma Steel, 5% pf.	79	100¼
5	Aluminum Can. 5% p.	102¼	108½
10	Argus 4½%	100	100
20	Can. Canners, 1st p.	23¾	26½
10	Can. St'mships, 5% p.	40	51
10	Massey-Harris, $1.25 p.	21½	29
	Bonds		
$1,000	Canada 2%/46		$100.95
Cash			$941.30
Current market value of fund			**$14,613.25**
Prospective annual income			**$555.25**
Average yield on original $10,000 is			**5.55%**

*Price on Feb. 7/46.

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Forbid Resale of Exports If Price Ceiling Exceeded

OTTAWA (Staff)—Fear that "dummy" companies might be formed to transact fake "foreign" dealings in Canadian merchandise, prompted officials to pass Order 583 which makes it illegal to resell in this country goods already sold at higher-than-ceiling export prices to a foreign buyer.

So far as can be learned, this order is precautionary. No actual cases of faked foreign orders have been uncovered, though some are suspected. It is known, however, that in the past, when a manufacturer was producing goods for domestic and foreign allocation, attempts have been made in a few cases to recover goods allocated for export at the higher price.

In these cases the manufacturer probably acted in good faith in wanting to recover these exported goods in order to meet shortage among his domestic customers. In such cases there was no question of not paying the higher export prices in order to regain title to the goods. But such higher prices were illegal under the ceiling, so far as the domestic purchaser was concerned.

Now the Board is aiming to circumvent any legal or "illegal" transactions of this or similar type in goods which are still in short supply in Canada, but which command a high export premium.

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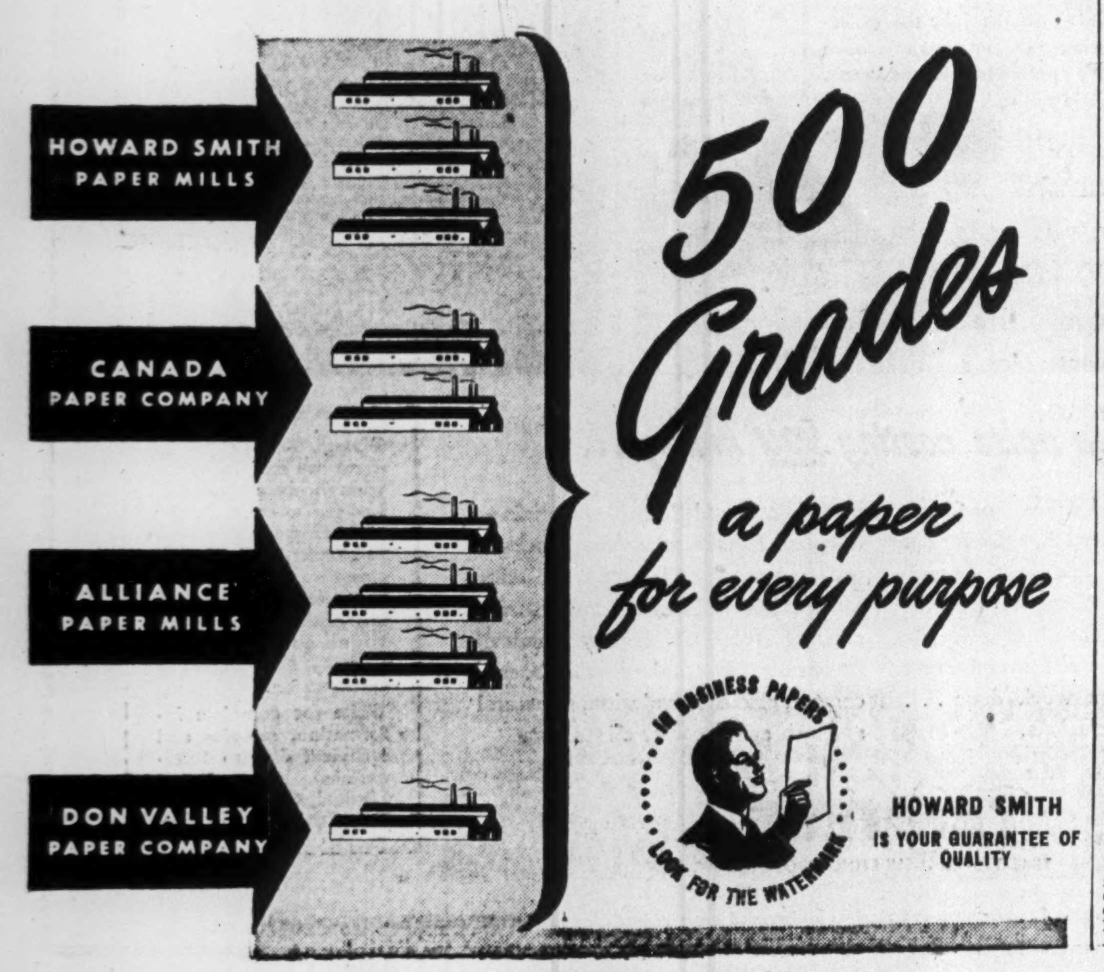

Quebec Anticipates Biggest Flow Of Tourists to Come with Peace

With wartime restrictions on travel wiped out, Quebec, a province where cultures and customs of old and new worlds blend, is looking forward to a bigger influx of tourists in 1946 than ever before in her history. In other words, whether Canada's income from tourists is $150 or $200 millions, you can be fairly certain that Quebec's tourists will have contributed a sizeable proportion.

Abreast of the times Quebec is utilizing her natural attributes as a tourist playground to draw more and more visitors from other provinces, U. S. and foreign countries. With some of the best ski country in the world the Quebec Laurentians attract thousands of skiers every year and are doing much to put winter tourism on a par with the summer trade. Another drawing card which Quebec puts up for tourists is her distinctive French Canada dishes such as the celebrated "soupe aux pois."

By developing home craft to a marked degree, Quebec has provided her people with an added source of income and gives the tourist something to take back home. Right down to the Gaspe the tourist can choose from a wide range of delicate needlework, hand-woven mats, fine linens. Besides her developed tourist attractions, Quebec has scores of historic and picturesque spots which bring tourists back year after year.

In pre-war years, tourist revenues of the province amounted to over $50 millions annually. This was all cash and its influence on the economic life was important, particularly in those sections outside the industrial area.

Efforts are being directed to increasing the tourist trade between other provinces and Quebec. During the war tens of thousands of Canadians who, in more normal times, might never have visited the province, went to Quebec and saw for themselves and sampled the riches of Quebec's tourist attractions. They were not disappointed.

Old World Atmosphere

Quebec has much to offer the visitor. During the centuries the cities have retained their picturesque aspect, the people have held true to their Norman traditions, manners and customs have been kept, so there is an appealing old-world atmosphere which has long since vanished from most other places.

Quebec is a French province, but is not to be confused with modern France. Her people have built up a distinctive culture, based on old-world traditions, rich in historic background. The shades of Cartier, Champlain, Frontenac, Talon, de Laval, Montcalm, still haunt town and countryside. Many a house known to these personalities is still in everyday use. Romance has not departed.

Good highways lead through quaint villages, wayside shrines, monuments, old houses and cascading rivers. Nowhere will one find any greater or more varied beauty of landscape than in the Laurentian highlands, the majestic St. Lawrence River Valley, the Appalachian country terminating in Gaspe, the grandeur of the Saguenay, the Montegian hills, the beautiful Gatineau, the St. Maurice Valley and the new Eldorado of Abitibi and Temiscamingue.

Lakes and rivers abound with game fish. Deer and moose are plentiful. Ducks and other water fowl are found in quantity.

Excellent Deer Hunting

Quebec offers good deer hunting. White-tails are plentiful around the fringe of civilization. Black bears always provide a thrill for the hunter and in the fall are to be found in the most unsuspected places in a wide hunting area. Fine specimens of woodland caribou can also be had in certain parts of the Gaspe Peninsula.

Of game birds, partridges are the most eagerly sought and are found in all Quebec woods, especially in the high timber. In the great stretches of marshland along the St. Lawrence River and on the lakes which form so large a part of Quebec scenery, ducks and wild geese provide many a brace for the 12-gauge gun; a fact of special importance in these days when sporting ammunition is in short supply.

For those who are not sport inclined, there is a wealth of other interests. Montreal, second largest seaport in North America, second French city of the world, offers contrast of old and new.

Still preserved are the landmarks of its dramatic history, dating back to its foundation by Maisonneuve in 1642.

Old Montreal, in the heart of the modern city, still retains its historic buildings. Here will be found St. Paul Street, oldest in the city; Place d'Armes, where Maisonneuve defeated the Iroquois in 1664; the Seminary of St. Sulpice, dating from 1680; Chateau de Ramsay, built in 1705; the McTavish House of 1780 and many others.

Historic Churches

Outside this old city lies St. Joseph's Oratory, built on the mountainside by the late Brother André, "miracle man of Montreal"; the Art Gallery, the Botanical Gardens, McGill University, Université de Montreal.

Many old and beautiful churches adorn the city. Here one finds Notre Dame de Bonsecours, built in 1675.

Verchères, Lachine, St. Hubert, Dorval Airport and the many summer resorts on the Ottawa and St. Lawrence Rivers and the Lake of Two Mountains are near Montreal.

The Laurentian Mountains form an ideal playground, for rolling mountains and green valleys combine with fine forests. Hard surface paved roads lead from Montreal to the many vacation resorts.

Then there is the great gold field area of Temiscamingue and Abitibi in northwestern Quebec. Strikingly picturesque, rich in big and small game, it is dotted with interesting lakes where fishing offers new thrills. The highway skirts such well-known game spots as Bark Lake and Hunters Lake, the haunt of moose and deer.

The river journey from Montreal to Quebec is an experience not soon forgotten. To go by road is equally interesting, the road leading through villages where outdoor bake ovens, hand looms and spinning wheels are still in everyday use. Paved highways give a choice of route along the north or south shores of the river.

Halfway on the trip is Trois Rivières, founded in 1634 and now the centre of the world's newsprint paper industry. Here also was founded the iron industry of North America. Nearby are the shrine of Cap de la Madeleine, the city of Shawinigan Falls and the thriving town of La Tuque.

At Quebec the ancient capital, the cradle of Canadian civilization, the visitor will find old buildings, ramparts and bastions of the stirring days of the French regime. The queer crooked streets intrigue tourists. The high one-horse caleche, smart equipage of centuries ago, may still be seen upon the city streets.

A few miles away is the Shrine of Ste. Anne de Beaupré, opposite the Island of Orleans, where old farmhouses, windmills and ox teams lend a picturesque touch to the rustic scenery.

Continuing down the river from Quebec to the Saguenay, the visitor passes magnificent scenery —high rolling hills, little white-washed farm homes perched on their side.

Saguenay Stands Alone

The trip up the Saguenay River is an experience which will long be remembered by the visitor. Quaint villages dot the Charlevoix-Saguenay-Lake St. John region. This beautiful country, made world famous by Louis Hémon, lies a scant 100 miles north of Quebec City and is noted for its charm, sports facilities and its many highly industrialized towns.

Turning to the Gulf of St. Lawrence below Quebec City, the visitor finds one of the most interesting sections of the province. Site of the white man's discovery of Canada, where Jacques Cartier first landed in 1534, Gaspé has remained much the same throughout the centuries. On the north shore tiny hamlets cling to the shoreline, each a world in itself, isolated from its neighbors by big cliffs. The south shore is softer, with Baie de Chaleur breaking up into a great many small bays and sandy beaches.

Where Time Stands Still

Here at the tip of the peninsula is the tiny village of Percé beneath the shadow of the Percé Rock. Here life has remained much the same as at the closing of the French regime. The hardy fishermen follow their calling as did their grandfathers and great grandfathers before them. A new motor highway skirts the beautiful peninsula, making it readily accessible.

Much could be said about the Eastern Townships, with their profusion of lakes and charming countrysides reminiscent of old England, or the Ottawa Valley and Gatineau hills, where the visitor who likes the great outdoors will not be disappointed.

Quebec has everything for the tourist and, as is commonly the case, the Quebecker was the last to realize what a tremendous asset he had in his mountains, lakes, old buildings and historic spots and their culture centuries old.

Now there is a broad and full understanding of those assets. Steps have been taken to make them known far and wide.

Milions of dollars left by the tourist at hotels, stores, transportation companies and other services, mean a great deal to the welfare of a large proportion of the province's population. In wartime this value is doubly enhanced and Quebec is moving with determination to secure a larger share of the traffic with the return of peace.

Nylons On Sale Next Week But Supply Will Be Short

Why will there not be enough nylon hosiery to go around when it goes on sale across Canada next Tuesday, Feb. 19? Why can no one promise definitely when a sufficient supply will be available?

Last September the one plant in Canada producing nylon yarns ended its war contracts for heavy yarn, suitable only for weaving purposes, and began conversion to finer yarns for knitting. Since that time, the plant's full capacity has been allocated to the full-fashioned hosiery industry.

Extension of the Kingston, Ont., nylon plant is under way, and it is hoped the $4½ millions addition will be in production next fall. The company reports that its present plant, although not designed for commercial work, is keeping up with the present knitting capacity of Canadian mills. How soon these mills, now converting their machines to nylon knitting, will reach top capacity and require more yarn, sources close to the industry cannot predict. No nylon yarns are being imported or exported today.

Meantime, Canadian women are assured by the Prices Board that whether they live in Victoria or Halifax they will be given equal opportunity to purchase what nylon full-fashioned hosiery there is. Retail sales are being carefully held to a nation-wide release date, to avoid favoring any given area

What hosiery is available is under a rigid price control from manufacturer through wholesaler or direct to retailer at figures established by the Price Board in conference with the trade. Markups permitted are based on pre-war practices, it is stated.

Six gauges of full-fashioned hosiery are made—42, 45, 48, 51, 54 and 57, increasing in fineness with the numbers. These fall into four price ranges—42, 45 and 48, 51 and 54, and 57—and four qualities—special, first quality, substandards (irregulars or seconds), and thirds. Retail prices per pair range from a high of $2.50 for special quality, 57 gauge, to 85 cents for third quality, any gauge.

Corp. Investors Buys Prefs.

A switching by Corporate Investors from common stocks to fixed income preferreds is revealed by a statement showing percentage distribution of assets at Dec. 31, 1945. This would seem to reflect a much more conservative attitude toward the security market.

Common stocks have been reduced from 67% of total assets to 53%. While the company has been gradually consolidating capital gains, the conversion from equities to preferred stocks gives an added advantage in the way of income as the average yield on preferreds at current prices exceeds that of commons by more than 1%, it is stated.

Amount of the company's holdings of individual securities is not shown but from the names of securities shown, the following additions and deletions are noted in comparing the Dec. 31 list with the April 30, 1945, list.

DELETIONS

Bonds

Canada 3% due 1957 1959, 1960 and 1962.

Preferred Stocks

Canada Bread Co. first and class B.

Common Stocks

British American Oil.
Canada Cement.
Canadian Westinghouse.
Dominion Stores.
Dominion Tar & Chemical.
Gypsum Lime & Alabastine Can.
Hudson Bay Mining & Smelting.

Mines

Sylvanite Gold Mines.

ADDITIONS

Bonds

Canada 3% due 1963 and 1966.

Preferred Stocks

Acadia-Atlantic Sugar Refineries pref. and class A.
Davis Leather, A.
General Steel Wares.
Purity Flour Mills.
H. Simon & Sons.
Canada Bread, $2.50 partic.
Toronto Iron Works.

Common Stocks

John Labatt Ltd.
Davis Leather, B.
Southam Co.

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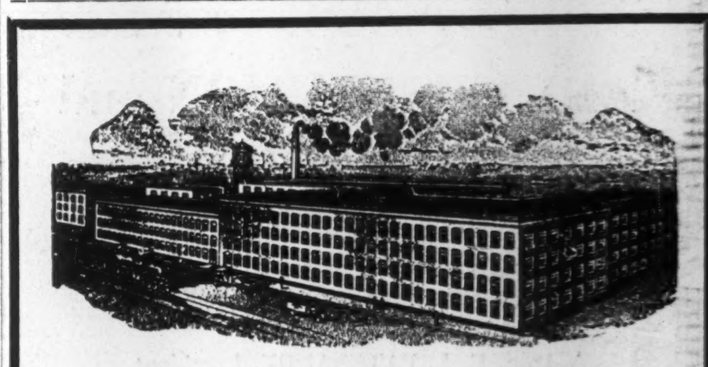

FORGING AHEAD WITH GRANBY!

The Granby Elastic Web Co. Limited was established in 1911 by P. Ernest Boivin. To meet the expansion of business this company was reorganized in 1920 under the name of Granby Elastic Web Limited and again in 1940 under the name of Granby Elastic Web of Canada Limited and extensive additions made to the plant.

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TEN/TEST Sound-Control materials — Standard Panels and Ashlar Blocks — prove an equally effective installation for new buildings or for modernizing existing structures. And economical! At one cost, TEN/TEST provides sound-control, efficient insulation, structural strength and decorative interiors.

Though TEN/TEST Products are still in somewhat short supply, *it will pay you to wait . . .* for everything is being done to correct the situation speedily. It is therefore suggested that you learn now about TEN/TEST for sound-control, insulation, and building construction.

Write for complete information, samples and technical data to International Fibre Board Limited, Gatineau, Que., Dept. 65.

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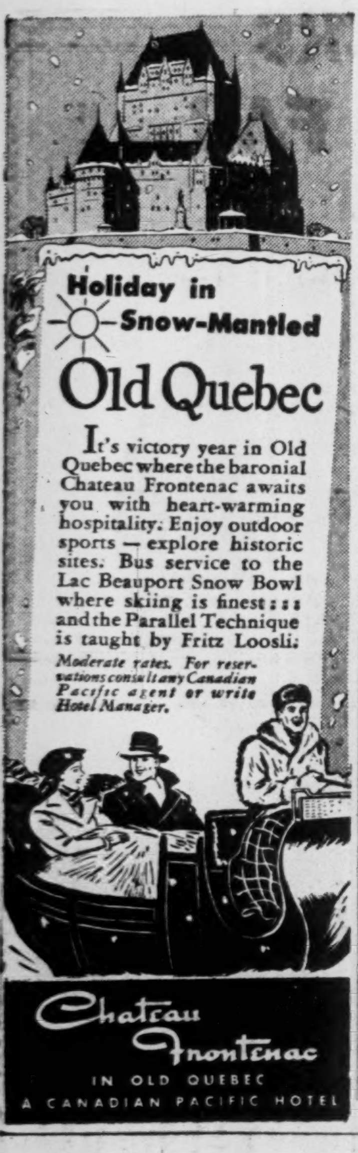

BOOKS FOR BUSINESSMEN

LIFE INSURANCE by Joseph B. MacLean, sixth edition, published by McGraw-Hill Book Co., New York and London; Canadian agents Embassy Book Co., Toronto, $4.80 in Canada; 670 pages, cloth.

This book by the vice-president and actuary of the Mutual Life Insurance Co. of New York, now in its sixth edition, is recognized in both insurance and lay circles as a standard work. The first edition was published in 1924 and the author explains that changes in life insurance business since 1939 made revision necessary. Topics dealt with in non-technical language include elementary principles, company organization, mortality tables, setting of premium rates, legislation, etc. Considerable attention is devoted to Canada.

LABOR TODAY AND TOMORROW; by Aaron Levenstein, 253 pages, price $3.25; the Ryerson Press, Toronto.

This book is an objective analysis of the interrelationship of labor, management and government. Starting with the years immediately preceding World War II the author, a labor lawyer, traces the pattern of government wartime controls, the reaction of industry and labor, and the effect on labor-management relations of the postwar removal of the bulk of these controls. The questions of collective bargaining, management's right to manage, union security, the check-off, in fact the full paraphernalia of the area of labor-management disputes, are reviewed in great detail.

The author feels that labor hasn't yet formed an over-all economic program consistent with its present power, and states that society has a right to know where labor plans to go from here. He concludes on a pessimistic note: that labor-management disputes will result in state government under which no one will enjoy traditional freedoms unless the American people are now prepared to surrender certain specific economic powers to the central government. Whatever course is pursued, the course ahead is long and hard.

Perhaps the central thesis of this author might be contested, that there can't be permanent truce between labor and management because there can never be mutual agreement on what constitutes an equitable division of industrial earnings. However, this book provides an excellent backdrop for a better understanding of the current controversies between labor and management.

NEW FRONTIERS IN ASIA. A CHALLENGE TO THE WEST; by Philip Jaffe; 364 pages; price $3.50; the Ryerson Press, Toronto.

This is a scholarly examination of the economic and political problems affecting the development of China and India, which the author describes as the new economic frontiers for the industrial nations of the world. In their democratic development, he holds, lies civilization's hope for future peace and prosperity. In the author's mind the East presents both a challenge and an opportunity to the industrial nations of the world.

The greatest single obstacle to co-operation among the "Big Three" in any program for political and economic progress in postwar Asia is likely to be Britain's attitude on the Colonial question, the author states. But, he admits, the key to the successful solution of this problem lies in China where United States and Russian co-operation to improve the standard of living would do more than anything else to convince Britain that it was both feasible and desirable to abandon the old style system of colonial controls, imperial preference and sterling pools.

Although the author holds that the United Kingdom must be prepared to take the political initiative, he recognizes that the United States must accept financial responsibility by way of supplying capital goods and investment funds for the industrial furtherance of these areas.

This book appears at a time when Canada and other industrial nations of the world are looking for export markets to absorb their enormously increased productive capacity. Although the reader may not agree with the author's strong indictment of British colonial policy, he will admit that the book is powerfully and well written, and presents a hopeful approach to a problem which underlies our quest for world peace and prosperity.

DOMINION OF CANADA INCOME WAR TAX ACT, 1946 edition; published by CCH Canadian Ltd., Montreal and Toronto; price $1.25; 238 pages.

This is the 11th revision of this standard tax reference work, containing a consolidation of the 1917 Income War Tax Act with all amendments down to Dec. 18, 1945.

It highlights the 1945 tax amendments so the reader will know what regulations are new, gives historical references to the different sections and explains the reciprocal tax convention with the United States. Other features are the text of the Excess Profits Tax amended to date also income tax schedules, and tables of deductions and family allowance recoveries.

ECONOMIC GEOGRAPHY OF CANADA; by A. W. Currie; published by the Macmillan Co. of Canada; 442 pages; price $3.50.

Fact-packed yet highly readable is this pioneer text on the economic geography of the Dominion. It is stimulating to see through the eyes of the economic geographer, the point of view that the nation's fundamental political problem is simply to integrate the Dominion's seven economic regions.

Dr. Currie, associate professor of commerce at the University of British Columbia, follows the regional division of Canada in organizing his work. He takes advantage of it in order to make "the maximum number of accurate statements about it, with the minimum necessity for considering minor details." But, he hastens to add, this convenient division is not a device of the economic geographer, adopted arbitrarily to suit his own ends: "It is a basic fact in the country's economic and political life."

In understandable language, author Currie searches out reasons in Canadian climate, soil and geology to account for two tables cited in his opening chapter. The first of these, from the 1934-44 **Canada Year Book**, shows, by province and by occupational group, how many Canadians do what and where they do it. The second, borrowed from **Survey of Production in Canada**, 1941, shows by provinces the net value of production of these various occupational groups.

Throughout the book, copious footnotes provide a ready index to authoritative source material for those who wish to go beyond the necessary generalizations of the present work. For those seeking only the broader view—and few Canadians would not find such a once-over-lightly reading instructive—these footnotes in no way mar the easy-going text.

FARMING IN CANADA, by Hon. Duncan Marshall; published in Canada by Cockshutt Plow Co., Brantford; 227 pages.

Cockshutt Plow Co. has published this comprehensive book on farming "for the purpose of assisting war veterans in settlement on the land." Its range of subject and general treatment make it admirably suited for the purpose. The late Senator Marshall would ask no more enduring memorial to himself than prosperous farms and enthusiastic farmers. This book, published only a few weeks before his death on Jan. 17, may help to build such a memorial. The author describes his work as "a collection of farm experiences and practices, made with a view to passing it on to farmers who are beginning." The former Minister of Agriculture for Alberta and Ontario has managed to translate the complex business of farming into simple, understandable words which are bound to be a useful guide to the inexperienced.

SOME POLITICAL CONSEQUENCES OF THE ATOMIC BOMB, by E. L. Woodward; published by Oxford University Press; 26 pages; price, 25 cents.

In this pamphlet edition of his Oxford University lecture, Prof. Woodward debunks four of the most popular solutions to the problem of controlling the atomic bomb. Realistically, he argues that the world must accept the fact that nations believe themselves more secure if fully armed, and must acknowledge the futility of trying to prevent each nation's separate acquisition of the atomic bomb as a form of insurance. Prof. Woodward's answer would be to reinforce the UNO and the Security Council with a pact providing immediate joint retaliation by other council members, should any power use the atomic bomb without unanimous consent.

Dismissed as "impracticable" are these four atomic bomb suggestions: (1) A **laissez faire** attitude among all nations; (2) Its control by any one nation; (3) Control by a world government; (4) Control by a special international organization created to deal with its manufacture, storage and ultimate use.

The professor of international relations speculates upon the bomb's effect upon the future of political liberty. He draws no final conclusions here, or on its influence in the realm of art and literature. In the end Prof. Woodward wonders whether his enquiry "has shown little more than my own perplexity."

EMILY MURPHY, CRUSADER, by Byrne Hope Sanders; published in Canada by the Macmillan Co. of Canada; 355 pages; price, $3.50.

Byrne Sanders has produced a vivid picture of a compelling woman. The colorful crusader from the West comes to life again in its pages so clearly that the book reads more like an absorbing drama than the recounting of factual incidents. All the color and deep human interest which surrounded Mrs. Murphy in life, have been recaptured and the result is a highly entertaining, powerful story—the story of a woman with controversial ideas and challenging demands. As Janey Canuck, a writer of rich prose, Emily Murphy was known to many thousands throughout the world. As the first stipendiary magistrate in the British Empire, she came to learn much about crime, insanity and drug addiction and to help banish them. As the originator of the famed appeal to the Privy Council, she was responsible for having women declared "persons" and thus eligible for the Senate.

The many facets of this dynamic woman's life have been brought together in a tightly-knit, highly readable story, which is bound to stand as an important contribution to Canadian biography.

THE FALAISE ROAD, by Alan Wood; published in Canada by the Macmillan Co. of Canada; 64 pages; price, $1.

The publishers of "Escape from Arnhem" are responsible for "The Falaise Road," also. From a comparative standpoint it is probably a good thing, but "Falaise Road" suffers in the comparison. The book is simply a collection of well-written news dispatches by Alan Wood, war correspondent for the London Express. As war dispatches go, these are beautifully written, with all the right words in the right places, but as a book for Canadians it fails dismally. The dispatches were written while the war was on, when regiments could not be named. The author has dragged a few regimental names in here and there to bring it a little more up to date, but the whole book has a tone of anonymity and remoteness that is irksome. It is the story of Canadian courage in the grim days of the push from Caen to Falaise—a story which deserves to be told, but to be told in a much less detached, less polished, more compelling manner than it is told here.

Cut in U. S. Corporation Tax Aids Some Canadian Firms

The recent market strength of securities of U. S. companies traded in Canada is largely due to the cut in U. S. corporation taxes to a flat [illegible] effective January 1, last.

Fanny Farmer Inc., and Loblaw Groceterias Inc., which operate chain stores in the United States, fall fully into this category. Brown Co. and Minnesota & Ontario Paper, having subsidiary Canadian operations and with securities traded in Canada, are affected by the cut in U. S. taxes. The retainable income of Canadian Breweries Ltd., Distillers Corporation - Seagrams, Hiram Walker Massey-Harris and Moore Corp., to the extent that it is earned in the United States, will also be increased by the tax reductions made effective in the United States in 1946 under the Revenue Act of 1945.

Here's a comparison of 1944 earnings with possible 1946 earnings for Fanny Farmer, Loblaw Groceterias and Distillers Corporation-Seagrams, based on the repeal of EPT and the reduction in the combined normal and surtax to 38%. Net earnings are assumed to remain unchanged.

TABLE A

	Year ended Feb. 24, 1945	Estimate for year ended Feb. 24, 1946
1. LOBLAW	($000)	
Net profit before Income & EPT.	$852	$852
Taxes	542	324
Net income	310	528
Earn. per share..	.38c	$1.50
2. FANNY FARMER	Year ended 1944	Estimate for year ended 1946
Net profit before Income & EPT.	$3,638	$3,638
Taxes	1,594	1,328
Net income	810	2,256
Earn. per share ..	$3.00	$6.47
3. DISTILLERS-SEAGRAM	Year ended July, 1944 ($000 US funds)	Estimate for year July, 1947
Net profit before income & EPT.	$28,673	$28,673
Taxes	17,236	11,526
Net income	11,437	17,147
Earn. per share..	$6.12	$8.35

MONTREAL CURB MARKET seat has been sold for $15,000, increase of $2,500 over previous sale, on Dec. 13.

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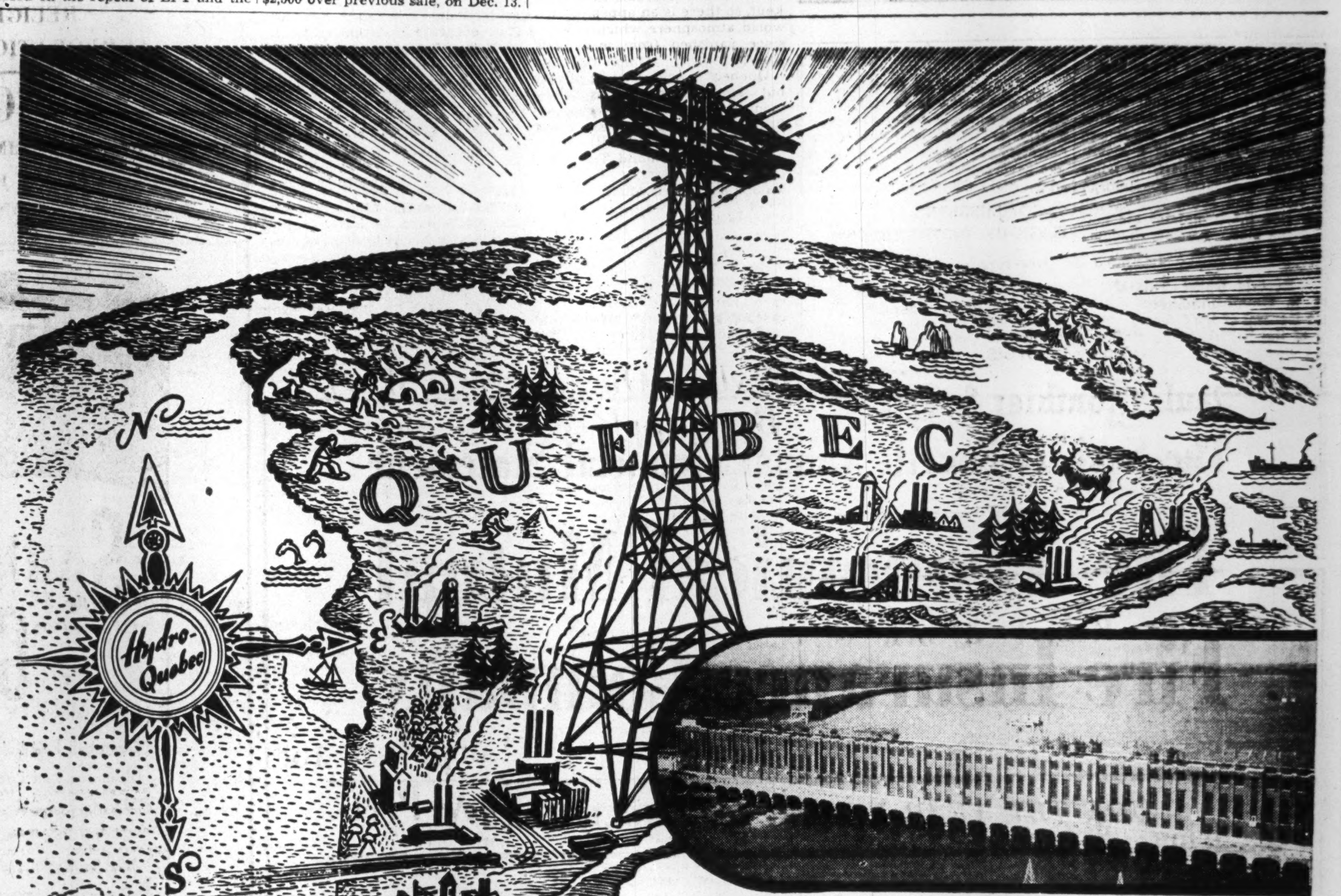


Beauharnois Generating Station—one of the power developments of Hydro-Quebec. Installed capacity is 650,000 HP

From Its Vast Power Resources
STEMS A GREAT FUTURE FOR QUEBEC

Thanks to abundant electrical power — the life blood of industry — the Province of Quebec will continue to develop industrially and play an important role in the future progress of Canada as a leading nation of the world.

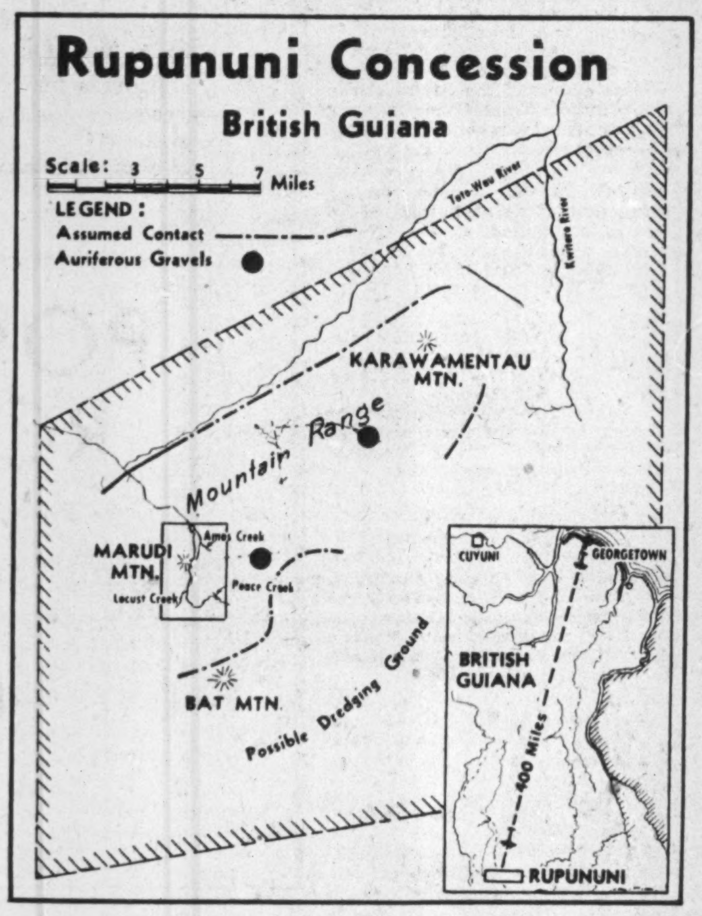
And Hydro-Quebec, with its generating facilities at Beauharnois, Cedar Rapids, Rivère-des-Prairies and Chambly, stands ready to do its full share in the development of our Dominion by supplying at all times dependable and adequate electric service in the home, the school, the office, the store, the shop, the factory and the hospital.

Hydro-Quebec
MONTREAL

Rupununi To Use 150 Men Opening British Guiana Placer-Lode Deposits

Centering its activities on Marudi Mountain, site of previous gold production in its 400-square mile concession in southern British Guiana, Rupununi Mining Co. is finalizing plans for early production and a thorough test of its large concession.

Major David Lewes, M.C., B.Sc., discoverer and developer of the successful British Guiana Consolidated Goldfields operation, and a graduate of London University, has agreed to direct the physical end of the company's initial activities and will later act in a consulting capacity, it was announced this week. A sum of $198,000 has already been received to finance first work.



15,574 oz. Proven

In a small area of only five or six acres of Marudi Mountain, 15,574 oz. of gold have been estimated as available by sluicing and hydraulic mining with production at a rate of 1,000 oz. monthly seen possible within three months of commencing operations.

Gold has not only been established in alluvial and eluvial material but also in quartz veins of the Marudi Mountain district. One vein is stated to have been traced for a length of 1½ miles before being lost under overburden showing a minimum width of 8 ft. and running as high as 30-40 ft. in width. Little testing has been done but eight holes put down with an "earth augur" over a length of 2,700 ft. are stated to have returned the following values in pennyweights: 16, 13, 14, 14, 16, 15, 18, 14. (A pennyweight equals $1.925 at $38.50 gold). Quartz is stated to be very friable. This particular vein referred to apparently extends from the old workings although the exact relationship has not been established.

In testing a section where a "draw" went off from the vein, five tests of gravel and sludge gave the following reported values per cubic yard: $14.32, $17.33, $15.40, $36.25 and $38.45.

To Use 150-160 Men

Operational plans are expected to embrace a crew of 100 men for placing the known placer deposit on a working basis with a further crew of 50-60 laborers to constitute an exploration crew directed by three technical men. Two portable diamond drills and a core drilling outfit are to be used in this end of the program. It is believed that this program will give the area the first modern test it has had.

Not only does the company hold the ground in the Marudi Mountain area but a great surrounding area (see map); the 400-square mile concession blankets a mountain range which apparently holds the best geological possibilities. The north and south contacts on either side the mountains are noted on the map. Possible dredging ground to the south has also been retained.

Reports Ounce Values

D. R. Grantham, formerly Director General of the Economic Survey of the British Empire, after a short visit to the Marudi Mountain Gold workings in 1934, stated in part as follows about gold deposition:

"The richest area is on the steep slops of Marudi Mountain. Colors are found in the pan in all the creeks from Mile 7 of the trail onwards . . . The richest patch being worked at the time of the visit was near Paunch's camp on Crab Creek. Values in the creek bed and on the hillsides were over one ounce to the cubic yard. The workings in Locust Creek near Davidson's camp were a little under a half ounce to the cubic yard.

"Nuggets up to 10 oz. have been found."

Grantham expressed his belief that the gold had a local origin in the following terms:

"The Marudi Mountain gold is coarse, much of the value being recovered being in the form of small nuggets which are unworn. The fine gold examined under the microscope has remarkably fresh pitted surfaces. The source is therefore in the immediate vicinity."

New Air Strip Goes In

The concession is located about 400 miles south of Georgetown and a trip of weeks was previously necessary to reach the property. The government is now completing an air strip not far from the company's concession which is expected to solve the company's chief transportation problems. Wage scale for experienced labor is reported at $1.30 to $1.50 daily with an extra 50 cents a day per man for maintenance. For three years, the company has exclusive right to examine its concession and to select areas which it wishes to retain. During the three-year period annual rental of a cent an acre is to be paid on the 256,000 acres in the block.

Areas selected for retention must be paid for at the rate of $5 a claim.

Rupununi Mining Co. has a capitalization of five million shares of which 1,666,666 shares have been issued for property. A total of 1,580,006 shares have been sold for cash and there are three further blocks of 240,000 shares each under option at 30, 35 and 40 cents a share. Exercise of these options will mean a total of $450,000 cash provided the company in all. A balance of 1,033,328 shares will then remain on which no commitment of any kind has been made.

Toronto Men In Control

Direction of the company is expected to remain in the hands of J. Bradley Streit, Toronto mine financier, who holds the right to appoint three of the five directors. President is C. O. Stee, until recently consulting engineer of Malartic Goldfields. Other directors are Karl J. Springer president of Leitch Gold Mines and J. B. Streit. Two other provisional directors are being replaced by Wing Commander J. Roland Robinson, M. P. for Blackpool, Eng. who is chairman of British Guiana Consolidated Goldfields (a dividend-paying operation), and Maj. Chas. Brooman-White of London, Eng., who is a director of British Guiana Consolidated Goldfields and of Marudi Mountain Goldfields.

STEEP ROCK IRON MINES sold 92,489 shares to Premium Iron Ores at $3.25. Upon issue of this stock issued capital will be 5,968,000 shares.

Campbell To Open Up Four New Horizons

While a decision has been made to go underground, Campbell Red Lake Gold Mines continues to explore its property with two surface drills. A number of good ore intersections have been secured recently.

Drilling developments of interest since last report include:

1. A vertical drill hole on the Campbell south boundary (adjoining Dexter), which flattened to 50 degrees at the end but which indicated a 40 degree dip for the south ore zone and returned $77 over 1.5 ft.

2. A drill hole, No. 46, 200 ft. west of No. 45 (whose values were below ore grade) which has returned four sections carrying gold values including $21.56 over 2 ft. This is in Dexter's direction where drilling has been slowed by deep overburden.

3. A series of north-south cross-sections holes which have further confirmed ore intersections in both south and north Campbell ore zones.

The vertical drill hole mentioned initially, No. 52, deviated to the northeast and was finished at a hole depth of 816 ft. It cut the $77 over 1.5 ft. at 620 ft. and also $4.24 over 2.5 ft. at 730 ft.

Gave Deepest Values Yet

This hole in conjunction with holes Nos. 20 and 34 gives a local south dip for the contact of about 40 degrees and has also established persistence of gold values to depth in the deepest drilling to date.

No. 20 hole was put down at 40 degree to the north close to No. 52.

No. 46 hole may represent a new ore lens coming in as drilling proceeeds farther west along the predicated extension of the south zone. But further drilling will be required to determine the exact situation.

No. 47 drill hole was put down to test further the section tested by holes Nos. 18 and 13. No. 18 hole had returned one of the best intersections yet secured. No. 47 passed under 18 and gave $11.09 over 8 ft. and $11.55 over 5 ft. No. 48 hole was drilled over the top of a lower intersection in No. 18 but was too high up to cut the same section.

No. 49 hole went under No. 13 and gave five gold-bearing sections including one which ran really high grade. Values were: $2.48 over 44 ft.; $7.32 over 5 ft.; $1.96 over 9.0 ft.; $3.47 over 3.5 ft.; and $55.92 over 12 ft.

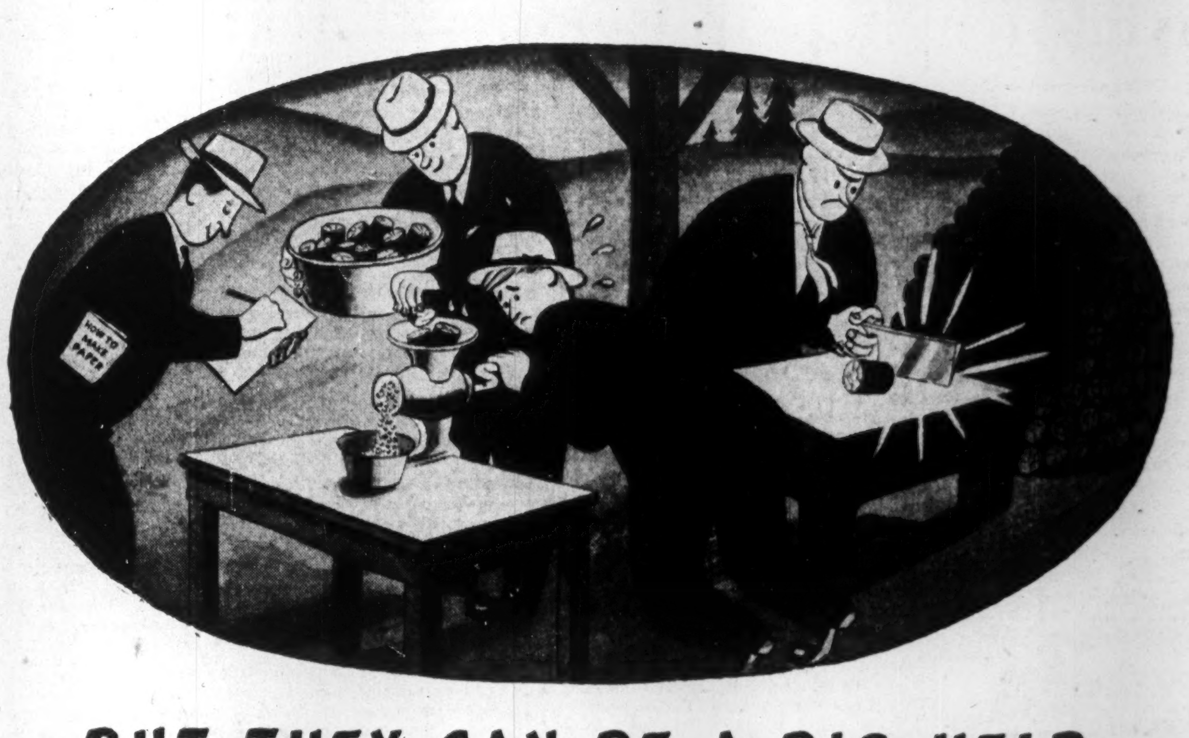
No. 13 hole had given an intersection of $152 over 6.6 ft.

No. 49 hole was at 60 degrees against the 40 degree incline for No. 13. The values are in the north zone for both holes.

No. 50 hole drilled over No. 13 gave $4.41 over 7 ft., $5.01 over 5 ft., and $25.41 over 3 ft. No. 51 hole drilled over No. 13 to reach sections farther down in No. 13 which would not be cut in 50 gave $19.64 over 2 ft.

The shaft for which equipment has been ordered will be put down between the north and south ore zones and will be about mid-way between the Dexter boundary to the west and the Dickenson boundary.

OUR INDUSTRIAL ENGINEERS DON'T GO QUITE THIS FAR...



BUT THEY CAN BE A BIG HELP WITH YOUR PRODUCTION PROBLEMS

For instance, B-A Industrial Engineers were called in to find the cause of excessive power consumption and high cost of maintenance on a paper machine. They made a detailed inspection of all bearing surfaces. They prepared a chart showing diagramatically all bearings which needed to be re-conditioned or replaced. They, then, supplied a layout of an improved lubrication system using new applicators and assisted the mechanical department during its installation.

British Dryer Bearing Oil 77 was recommended for dryer and calendar stack bearings and B-A Duralube 6350 for table roll bearings. Both were adopted.

Maintenance costs were reduced 63% and power consumption 15%.

It will pay you to have a B-A Industrial Engineer study *your* equipment, help with *your* lubrication problems.

B-A's LINE OF INDUSTRIAL LUBRICANTS INCLUDES:

B-A PARALKETONE B — ANTI-RUST COMPOUND used for the protection of equipment against indoor or outdoor storage conditions.

B-A 2238 ANTI-RUST COMPOUND —a soft coating for use on manufactured metal articles for storage or movement from plant to plant.

B-A 2425 CUTTING AND DRAWING COMPOUND—homogeneous paste usable with and without dilution.

B-A MULSICUT 2165—soluble cutting oil which creates a true emulsion with water in any desired proportion.

SERVICE B-A PRODUCTS

THE BRITISH AMERICAN OIL COMPANY LIMITED

46-7

The Seventy-Fourth Annual Financial Statement

The Economical Mutual Fire Insurance Company

FOR THE YEAR ENDING DECEMBER 31st, 1945

ASSETS

Book Value of Real Estate owned or held for sale	$ 29,500.00
Mortgage Loans on Real Estate, first liens	643,559.04
Agreements for Sale	5,304.25
Book Value of Bonds and Debentures owned	2,886,293.07
Book Value of Stocks owned	196,798.32
Cash on hand and in banks	92,019.87
Interest and Dividends due and accrued	32,391.85
Agents' balances written on or after October 1, 1945	164,283.08
Amount due from reinsurance on losses already paid	26,509.39
Accounts Receivable	4,038.55
	$4,080,697.42

LIABILITIES

Total provision for unpaid claims	$ 225,759.03
Total net reserve carried out at 80%	663,909.58
Reserve and unpaid claims under unlicensed reinsurance unsecured	16,312.85
Agency and other expenses, due and accrued	4,828.51
Taxes due and accrued	36,886.59
Reinsurance balances	35,978.86
Reserve for loss on investments	50,000.00
Reserve for returns of premiums	3,055.09
	$1,036,730.51
Surplus for protection of policyholders	3,043,966.91
	$4,080,697.42

HENRY KNELL, President F. W. SNYDER, Managing Director

Head Office: Kitchener, Ontario

-1946-
OUR SEVENTY-FIFTH ANNIVERSARY YEAR

Intelligent Employment of "Risk Capital"

We are the sponsors of the following Mining companies

☆

IN RED LAKE

Campbell Red Lake Mines Limited
Dickenson Red Lake Mines Limited
Brewis Red Lake Mines Limited
Clicker Red Lake Mines Limited
Macfie Red Lake Mines Limited
Detta Red Lake Mines Limited
Dorion Red Lake Mines Limited
Lake Rowan (1945) Mines Limited

☆

IN BOURLAMAQUE-LOUVICOURT

Mylamaque Mines Limited
Petitclerc Mines Limited
Tasmaque Gold Mines Limited

☆

A new map of the Red Lake Mining Area will be mailed on request.

About a year ago a prominent British industrialist told the Empire Club of Toronto that Canada was one of the potential millionaires of the earth and that our possession of such an abundance of every sort of basic raw material presented exceptional opportunities to men of character, ability, vision and enthusiasm. We concur in this view.

While our organization is comparatively young, the principals have had a wide experience in their chosen field.

A recognition of our responsibilities towards the investing public and an adherence to sound business practices, is gaining for us the confidence of a widening circle of clients and friends.

Our organization is engaged in the continual search for new mines and in the management of certain Canadian gold mining properties in various stages of development. Accordingly we must constantly find new capital, without which such operations would not be possible.

In the production of gold the element of risk, common to any business enterprise, is increased by the time, expense and other hazards incidental to the discovery, exploration and development of a mine. However, the profit realized on a successful gold mine is very handsome in terms of the original capital invested, and our Canadian mining history abounds with such cases.

Few people can afford to assume all the risk of mining. We have constantly reiterated that the purchase of new mining securities must be regarded as "RISK CAPITAL INVESTMENT." We try to reach a large group of people who, like ourselves, have confidence in Canada's future and can afford to allocate a portion of their capital or income, without hardship, to our RISK CAPITAL offerings. The hazard is therefore distributed over a large group of investors.

The Brewis & White organization has obtained the services of the best engineers, geologists, and other field men available. Their experience minimizes the possibility of non-success by careful estimates of the risk element pertaining to each issue.

We urge a searching examination of the new Red Lake issues sponsored by us, and invite your participation in these exceptionally attractive offerings.

Our experience and reputation for reliability, not to mention the successful ventures we have already sponsored, ensure to the investor the probability of an excellent return for a small outlay.

"ONE GOOD INVESTMENT WORTH A LIFETIME OF LABOUR."

BREWIS & WHITE

200 Bay Street, Toronto — Telephone *Elgin 7225

With More at Work Underground Paymaster Step-up Coming Quickly

By GORDON M. GRANT

With its underground crew nearly doubled through addition of about 100 men recently, Paymaster Consolidated Mines is making rapid strides toward normal production—and possible expansion.

Daily production the last six months has gradually stepped up from less than 350 tons to well over 400 tons. Output value last month topped $100,000 for the first time since early in the war. With a new compressor expected this month, and a new hoist for No. 5 shaft to arrive a little later, the foundations have been laid for a return to capacity operations of 600 tons daily.

Mill Expansion Ahead?

With excellent results attending recent development work, the management has not been unmindful of the fact that the enlarged underground program now building up may ultimately lead to expansion. It is noteworthy that present buildings could house all the equipment needed for an expansion in mill capacity from 600 to 1,000 tons daily. Cost of such an expansion would be in the neighborhood of $115,000, it is estimated.

It is believed that with the new compressor and hoist, the company tons and a monthly output of $150,-000-$155,000 quite quickly.
$155,000 quite quickly.

When the new compressor and high-speed hoist are installed, aggressive work will be carried on down to the 4,000-ft. horizon. The company is taking on further men as they become available and can be assimilated. Labor situation in Porcupine seems to be gradually getting better, it is reported.

Upper Levels Still Respond

For the moment work is being concentrated on the upper levels and encouraging ore results reported last year are continuing.

No. 14 vein on the 7th and 9th levels has been returning ore running well above the mine average this year. On the 7th level going east, the following successive faces are reported starting Jan. 12: $33.49 over 40 in.; $8.85 over 66 in.; $9.62 over 40 in.; $13.09 over 90 in.; $10.01 over 72 in.; $13.47 over 40 in.; $7.31 over 60 in.; $10.78 over 42 in.; $13.30 over 54 in.; $37.34 over 54 in.; $3.85 over 40 in.; $41.19 over 48 in.; $28.87 over 66 in.; $13.86 over 66 in.; $48.89 over 72 in.; $133.98 over 84 in.; and $21.56 over 54 in.

Not as many faces have been taken out on the No. 14 vein at the 9th level since Jan. 12 but the tenor of values has run similar to those two levels above. Here are consecutive faces: $19.95 over 40 in.; $20.79 over 78 in.; $16.55 over 84 in.; $9.24 over 60 in.; $23.48 over 66 in.; $16.55 over 60 in.; $17.15 over 42 in.; $13.86 over 60 in.; $15.78 over 40 in.; $25.79 over 54 in.; $58.90 over 78 in.; $26.56 over 48 in.; and $8.10 over 60 in.

Despite wartime difficulties, Paymaster has gradually improved its financial position during the war years. If further mine development warrants expansion, the company will likely have the resources to meet the cost.

As at June 30, 1945, working capital amounted to $1,584,055. Current assets of $1,654,922 at that time included $441,066 cash, $1,145,197 in stocks and bonds and $58,924 in supplies. The company paid a dividend of a cent a share on Jan. 10, 1946, and a further dividend of similar amount will be paid May 10. These two dividends, entailing a distribution of $172,582, represent a 100% increase in 1946 dividend distributions over payments the previous calendar year.

MINING CONCENTRATES

BASE METAL MINING CORP. reports estimated operating profit of $197,000 in 1945. Ore milled, 47,-777 tons, averaged 2.83% lead and 13.67% zinc, from which were produced approximately 1,400 tons of lead concentrates averaging 80.96% lead and 9,373 tons of zinc concentrates averaging 58.89% zinc. Contracts have been arranged for sale of zinc and lead concentrates produced up to June 30.

* * *

CLAVOS PORCUPINE MINES reports drilling anomalies as outlined in recent geophysical survey. Additional acreage was purchased to south and north.

* * *

COURTMONT GOLD MINES states magnetometer survey shows two main zones on its Louvicourt twp., Que., property. Diamond drilling has got under way near the southern boundary. Officers and directors: C. T. Ross, president; C. W. Waller, vice-president; W. G. Chipp, secretary; J. S. Booth and H. Henderson, Julius M. Cohen is consulting engineer.

* * *

CENTREMAQUE GOLD MINES says two heavy drilling rigs are cross-sectioning westward extension of East Sullivan and D'Aragon structure. Hole 8 was stopped at 771 ft. after passing through three sections of rhyolite breccia. Hole 9 is drilling below 675 ft. and has cut two shears and several mineralized sections.

* * *

CONTINENTAL DIAMOND DRILLING & EXPLORATION CO. announces that Typhoon Yellowknife and Wolfpack Yellowknife are being incorporated to acquire 1,200 acres at Giauque Lake, Yellowknife district, N.W.T. Continental holds a 40% interest in the property. Company also holds a 40% interest in financing and development of 22 claims at Keezhik Lake, Albany River area, Ont. and a 40% interest in nine claims in the Stormy Lake area. Herbdix Gold Mines is being incorporated to take over Stormy Lake property.

* * *

DOME MINES reports bullion production of $431,543 from 48,200 tons of ore milled, an average recovery of $8.95 per ton in Jan., 1946 ($431,042 from 46,500 tons, average $9.27 previous month).

* * *

INSCO MINES reports five diamond drills operating on its Lake Dufault, Que., property, and a sixth to start soon. Three drills are probing magnetic anomalies indicated by a recent survey and two other drills exploring two strong regional faults or shear zones.

* * *

WEST AMULET MINES is drilling an anomaly ¼ mile down the Waite Mine fault with core showing mineralization in altered dalmationite. Quartz and calcite, pyrite and some chalco have been found adjacent to rhyolite-andesite contact. The drill is expected to cut a sulphide zone at around 800 ft.

* * *

VILLBONA GOLD MINES completed drill holes 25 and 26 at depths of 305 and 351 ft., as well as a joint hole with Twin Fault Mines. Boundary boring cut an 8-ft. quartz vein along the Villebona shear, establishing continuity of quartz in this structure for 1,500 ft. No. 26 proved continuity of "B" vein zone on Villbona for 1,350 ft. and its related No. 1 vein for 700 ft.

OIL PRODUCTION

Brazeau Deep Test Well Finds 'East Side Madison'

From Our Own Correspondent

CALGARY—Home-Brazeau Syndicate No. 1, L.S.D. 5 17-43-17w5, key wildcat near the crest of the big Brazeau anticline in the central Alberta foothills, has confirmed an "East Side Madison Limestone block" at 11,351 ft., 6,876 ft. below sea level, and is now drilling below 11,370 ft., 19 ft. in this Madison. This well, it will be recalled, first topped the Madison at 9,498 ft., 5,023 ft. subsea, set 7-in. casing at 9,523 ft., and faulted out of the lime at 9,597 ft. Slight porosity in this limestone sliver indicated from 500 to 1,000 Mcf of gas.

The structural picture indicated by the Brazeau test is, in many respects, comparable to that along the east side of North Turner Valley, where a limestone block of as yet undetermined width lies 1,000 ft. or so below the east edge of the main Turner Valley lime ridge. In Turner Valley, both main ridge and east side block are productive. The gas in the upper lime at Brazeau offers a good prospect in this section west of the present test well. The prospects of the lower lime section will be determined by the bit in the near future.

* * *

Cal-Standard Tests Ellis

The California-Standard Company has staked and started work on its initial 1946 wildcat on the Southeastern Alberta Plains. The new test is Burdett-Province No. 4, in the northeast quarter of L.S.D. 16 13-7-13w4. The well, to be an Ellis sand test, will be drilled by Can-Tex Drilling Co., using the light rotary from the recently abandoned Foremost-Province No. 4.

The objective is an oil-bearing Ellis pinchout down the flank of a Madison lime high — the type of structure which yielded the Conrad oilfield, about 18 miles west and south. Cal-Standard has already drilled several wildcats, with encouraging but not commercial shows, in the vicinity of the new Burdett venture. These include: Legend-Province No. 1, two miles west, three quarters of a mile south; Legend-Province No. 3, 1¾ miles west, one mile north; and Foremost-Province No. 3, four miles east.

* * *

Work on Smoky Reserve

The three big "cats" (two fitted with bulldozers) clearing about 67 miles of winter road from the Entrance railway point into the 207,-000-acre Smoky River oil and gas reservation, have advanced about 35 miles beyond Entrance in their first eight days on the job. A Heiland Exploration Seismograph party will move in as soon as the remaining 32 miles of road have been cleared. It is hoped that Seismograph profile of the indicated structure underlying the reservation can be completed before spring break-up renders the winter road unserviceable. This north central Alberta foothills reserve was taken up Jan. 4 for a syndicate of five "majors," McColl-Frontenac, Shell of Canada, Imperial Oil, Gulf Research and Socony-Vacuum.

* * *

Home Drills Two More

Home Oil Company Ltd. has staked locations for two key new tests of the "west lime uplift" in North Turner Valley. The new wells are: Home Millarville No. 22, L.S.D. 16 32-20-3w5; and Home Milarville No. 23, L.S.D. 7 5-21-3w5. Contractor for both wells is Drilling Contractors Ltd. Derrick is now being erected at the Home No. 22 site, and operations will start shortly at the Home No. 23.

Home No. 22 is located quarter of a mile due south of the Home-Millarville No. 19 producer, which topped the west lime uplift 3,939 ft. subsea at 8,041 ft.; quarter of a mile due west of the Miracle Royalties No. 3, discovery west lime uplift test which found the lime 3,835 ft. subsea; and three eighths of a mile southwest of the Alberta Oil Incomes No. 2 producer, which found the "main uplift lime" 4,254 ft. subsea. The Home No. 23 site is three eighths of a mile northwest of the Home-Millarville No. 19 west uplift producer, and is the same distance southwest of the Home-Millarville No. 12 main uplift producer.

This "west lime uplift," together with the "east side lime block," offers the brightest prospects for further extension of the Turner Valley field. The west uplift, found at the Miracle Royalties No. 3 and Home-Millarville No. 19, showed up again at the Home-Millarville No. 18 producer, some 2¾ miles northwest of the Home No. 19, opening a belt of considerable length and as yet unknown width for development. Bulk of oil rights along the indicated uplift are held by Home Oil Co.

* * *

Foothills 23, a Big One

Foothills Oil & Gas No. 23, L.S.D. 3 9-21-3w5, appears to have moved up into the "big well" class following further acidization. On Friday, Feb. 8, after returning input oil, the well was ripping out new oil under its own power at a rate of 38 bbls. hourly. It is expected that the well will now be placed on steady production.

Foothills No. 23 is the latest and structurally most easterly completion on the "east side lime block" of North Turner Valley. First recorded production was nine bbls. hourly with booster gas and five bbls. hourly under the well's own power, following treatment of each of the two porous zones with two 500 gallon acid washes. These treatments were followed by 1,000 gallons of acid to the lower porous, with following yield 10 bbls. hourly under the well's own power. A fourth acid treatment (1,500 gallons to the lower porous) was applied Feb. 6, with fifth treatment (3,000 gallons to the lower, 3,000 gallons to the upper zone) on Feb. 7. The 38 bbls. hourly flow followed these treatments.

BROWN BOUSQUET MINES has been drilling its Bousquet twp., Que., property since November. Three recent holes are reported to have cut vein structure containing some gold in vicinity of south contact of the shear. Hole No. 20 was spotted 200 ft. south of base line and after passing through 25 ft. of overburden entered andesite porphyry.

TOP-FLIGHT EXECUTIVES prefer our Custom Tailored Suits
ONCE... ALWAYS
Levy Bros.
69 KING ST. WEST. TORONTO

33rd ANNUAL REPORT
SHOWS CONTINUED GROWTH

Deposits
highest in the Corporation's history $7,506,670.43. (An increase of $731,078.20 over 1944.)

Quick Liquid Assets
(Market value, Dec. 31, 1945) 120.02% of savings payable on demand.

Increased Profits
$65,814.41 (7.43% of Paid-up Capital) in 1945.
$52,351.05 (5.91% of Paid-up Capital) in 1944.
Reserve Position Sound $30,000.00 transferred to General Reserve from profits from 1945.
$30,000.00 transferred to General Reserve from Contingent Reserve.

Reserves

General Reserve	$230,000.00
Contingent Reserve	100,000.00
Real Estate Reserve	25,000.00
Total Reserves	$355,000.00

CAPITAL TRUST CORPORATION LIMITED
MONTREAL OTTAWA TORONTO

WESTVILLE MINES LIMITED
(No Personal Liability)
BOUGHT • SOLD • QUOTED
E. H. POOLER & CO.
Members: The Toronto Stock Exchange
302 BAY STREET TORONTO AD. 4902
Direct Unlisted Line EL. 4998

DUKEL GOLD MINES
ENQUIRIES INVITED
Quoted on Toronto over-the-counter market
KELMAN SECURITIES
1203 Hermant Bldg.
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GOLD MINES LIMITED
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At this producing mine adjacent to Noranda interesting developments are taking place. Information on request.
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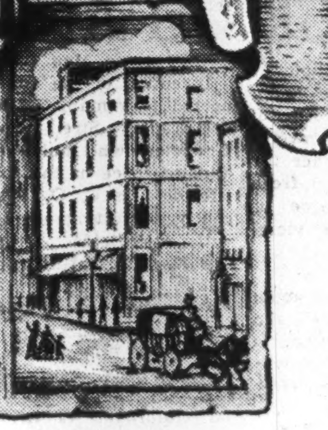
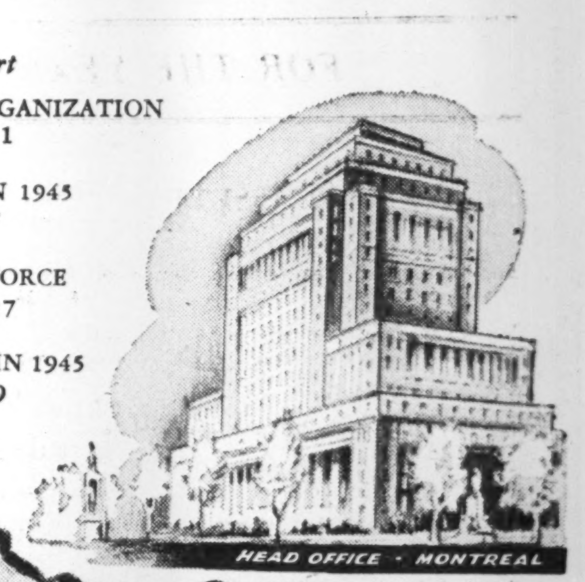
75 YEARS AGO



IN 1871 THE SUN LIFE OF CANADA issued its first policy from a small office in Montreal. The event occurred six years after the Company received its charter, during which time—with the passing of the Act of Confederation (1867)—the Dominion of Canada was born. The Sun Life of Canada has marched forward with the Dominion which, with its steady growth in resources and its rise in world esteem, has earned so high a place in councils of mankind.

The Company's growth is significant proof of wide public acceptance. Through three quarters of a century, during which wars have scarred the earth, and mighty inventions and discoveries have altered man's destiny, the Sun Life of Canada has met successive opportunities, expanding as life and industry took on new shapes and aspects. In 1895—at the end of the first twenty-five years of operation—the assurances in force amounted to $35 million. At the end of fifty years—in 1920—this amount had risen to $488 million. Today, after seventy-five years of public service, the Sun Life of Canada holds a leading place among life assurance companies with well over one million policyholders and assurances in force of $3,390,372,327. The Company's financial strength and high standard of service are indeed worthy of the finest traditions of a great time-honoured enterprise.

From the 1945 Annual Report
BENEFITS PAID SINCE ORGANIZATION $1,800,672,431
BENEFITS PAID IN 1945 $90,226,067
ASSURANCES IN FORCE $3,390,372,327
NEW ASSURANCES IN 1945 $241,409,819


HEAD OFFICE · MONTREAL

SUN LIFE OF CANADA
Copy of the Annual Report for 1945 will be sent to all policyholders, or may be obtained from the Head Office, Montreal.

SOUNDNESS

IN THE VAST AREA OF QUEBEC, WHICH EXCEEDS THE COMBINED AREAS OF ENGLAND, FRANCE, MARITIME PROVINCES, NEW YORK STATE, NEW ENGLAND AND CALIFORNIA, LIES THE REAL OPPORTUNITY FOR INVESTMENT;

BECAUSE THE POPULATION IS FAITHFUL TO PRINCIPLES THAT STAND FOR PROGRESS WITHIN WELL-ESTABLISHED ORDER;

BECAUSE THE PROVINCE CONTAINS IMMENSE NATURAL RESOURCES AND HAS EXCELLENT TRANSPORTATION FACILITIES.

This oldest and largest province of Canada moves along its calm way undisturbed by the storms of troubled thoughts which are agitating other parts of the world. The people of Quebec believe in the sober principles which stand for progress within well-established order, for progress not of an ephemeral order but a progress based on sound and lasting rules. This spells in the practical things of every day life respect for honest investment, encouragement to private initiative, belief in the principle that capital and labor are partners in the common task of building an ever greater province.

Pseudo philosophies of State interference in every phase of life find no encouragement in the Province of Quebec.

Nowhere else in the world will honest capital find a better haven than in Quebec, nor opportunity for reasonable return and adequate protection in its honest task of serving man.

The waterpowers of Quebec during the present century have undergone developments which have already produced a quickened industrial life, and which are capable of meeting all demands which industry may make. There is no limit which can be seen now as to their future developments. Located strategically by a benevolent Providence in the various parts of the province, the waterpowers permit of establishment of industries of all kinds where power, in great and small quantities, can serve industry every day of the year. Some waterpower developments of the province already in operation are the epic type, and emphasize what is to come.

The mineral development of the province of Quebec stands today on the dawn of an expansion which experts believe will make world mining history. The variety of metals, their abundance, and their accessibility, are evidences of what is to come in rapid order.

Scientific forestry research is pointing still more avenues for the use of the varied types of woods grown in the Province of Quebec. The vast forest industry of the province — the continental centre of newsprint production par excellence, for example — is at the dawn of still greater development, and along new lines thanks to such scientific discoveries as to uses which may be made of woods hitherto held to be of minor importance. Under scientific supervision the forests of Quebec will insure the permanency of its waterpowers, of the fertility of its agricultural life — still and always the primary strength of the province — the preservation of its fauna and fisheries.

The forests of the province are reserves that will provide the wood with which to build and rebuild the cities and towns of the continent, and assure the continuance of supply for the newsprint of a free Press. The marine fisheries, already noted for the fine quality of their yields, are on the threshold of a development which will mean reaching into distant markets.

Recognition has come of late to the fact that the tourist industry is one which is to rank amongst the great industries of the centuries. Where else on such a scale can such an industry be developed than in Quebec — with its majestic rivers, its thousands of lakes, its wild life, and with a people inhabiting it who have lost none of the graces of hospitality which distinguished their forebears? The province, where old and new ways of living sometimes blend together in a unique manner, sometimes contrast peculiarly, offers the tourist the "quite different" surroundings he seeks.

The healthful winter climate, with its deep snows, affords opportunities without rival for the creation of a great winter playground in the mountain ranges which stretch across the province. Here are pleasures comparable with the delights which open up to the disciples of Izaak Walton, and the followers of Nimrod at other seasons of the year.

The height of ocean navigation is found at Montreal, and down the river from Montreal to the ocean are other well equipped ports capable of handling cargoes from all lands of the world. From Montreal stretch out the lines of the world's two greatest rail transportation systems, and the interior of Canada can be reached from the Metropolis by a system of canals ever being improved.

The network of highways is excellent. Though already extensive, it will be increased to meet new requirements. There are up-to-date airlines.

Add to the advantages enumerated the primary factor — the sanity of the people and their desire for progress in order — and the glimpse is given to the illimitable resources which await but the touch to be transformed into untold wealth, and the picture of the after-war future is unrolled.